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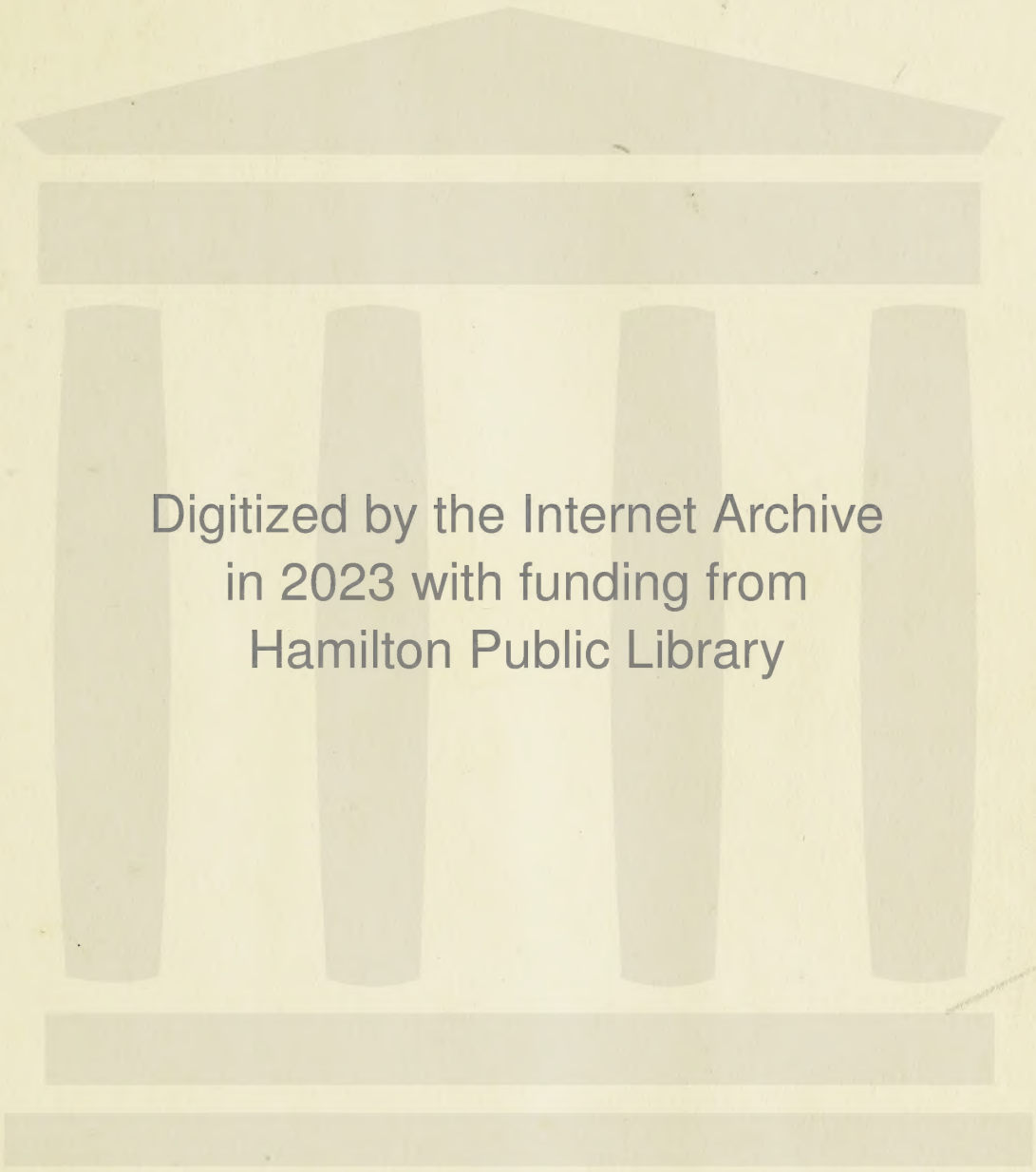

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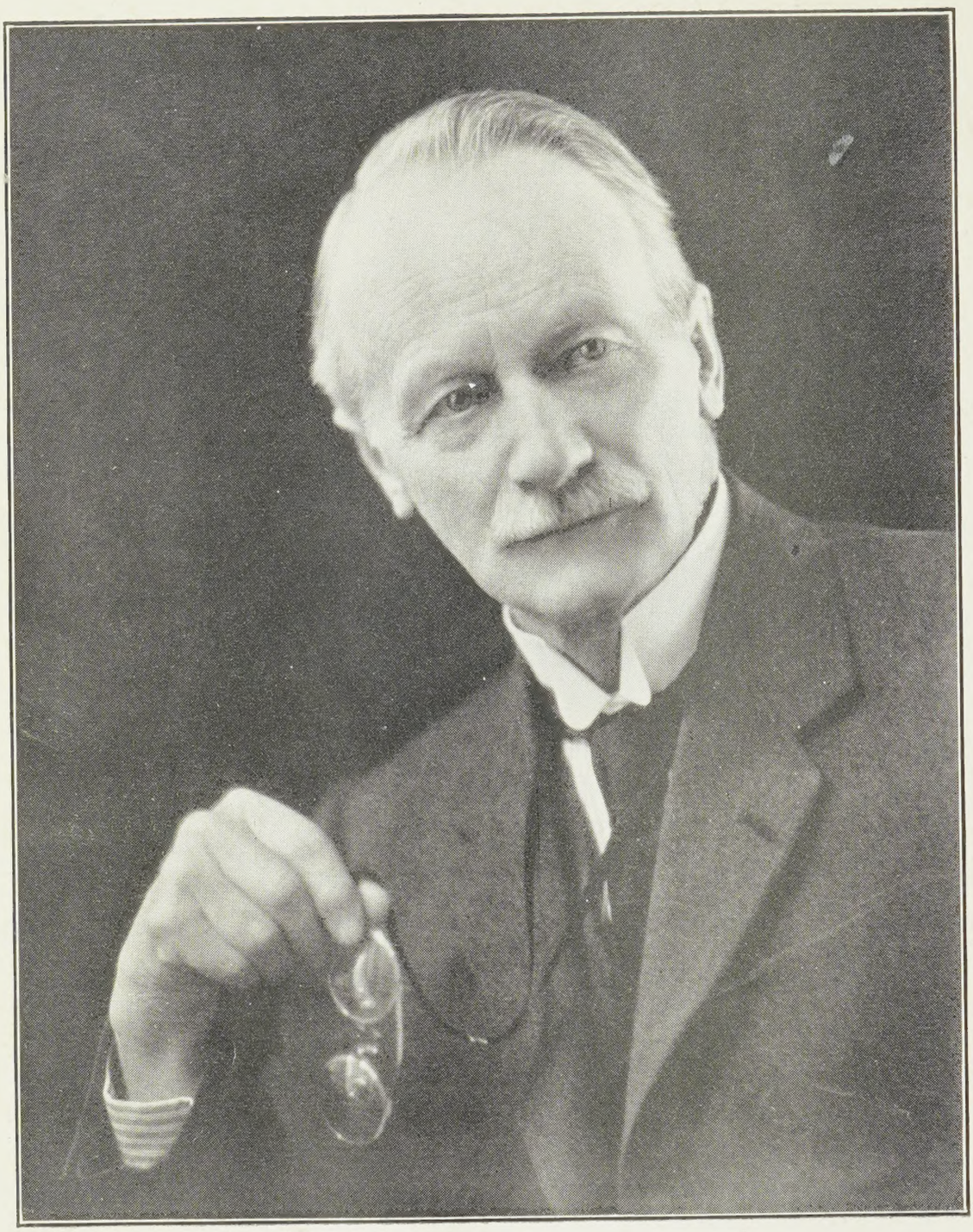

W. T. R. Preston.

MY GENERATION OF POLITICS AND POLITICIANS

By

W. T. R. PRESTON

AUTHOR OF

"THE LIFE OF LORD STRATHCONA"

TORONTO

D. A. ROSE PUBLISHING COMPANY

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THE MEMORY OF THE RANK AND FILE OF MY GENERATION IN THE LIBERAL PARTY WHO, UNDER THE LEADERSHIP OF GEORGE BROWN, ALEXANDER MACKENZIE, EDWARD BLAKE, OLIVER MOWAT, WILFRID LAURIER AND MACKENZIE KING, EVER REMEMBERED ITS TRADITIONS AND NEVER WAVERED IN THEIR LOYALTY.

CONTENTS

		PAGE
	Apologia	7
I	Robbing Peter to Pay Paul	10
II	"Men, Like Bullets, Go Farther When They Are Smoothest"	14
III	"Ring Out the Old"	21
IV	The Smoking Flax	26
V	"Ring In the New"	29
VI	The New Ontario Legislature	39
VII	The Dog in the Manger	43
VIII	The Dark Horse	50
IX	New Owners Strike Trouble	58
X	The Dishonest Steward—A Bid for Power	68
XI	Lord Dufferin Becomes Uneasy	76
XII	Found Out	83
XIII	The Nigger in the Woodpile	89
XIV	The New Broom Sweeping Clean	96
XV	Where the Carcase Is	104
XVI	"Auld Lang Syne"	116
XVII	Second Canadian Pacific Railway	125
XVIII	Purchase of "The Globe" Deal	134
XIX	Eating Crow	137
XX	The Canker Worm	144
XXI	"The Best-laid Plans Gang Aft Aglee"	149
XXII	An Impossible Team	152
XXIII	Loaded Dice	159
XXIV	Election, 1887	164
XXV	"Now Cracks A Noble Heart"	169
XXVI	Divided Counsels	178
XXVII	On the Down Grade	186
XXVIII	"There's Small Choice in Rotten Apples"	191

		PAGE
XXIX	The New Captain	205
XXX	Success and Failure	215
XXXI	A Pot-pourri of Experiences	227
XXXII	Water Power	245
XXXIII	Machine Created and Destroyed	256
XXXIV	"A Man's a Man, For a' That"	267
XXXV	Under the Southern Cross—South Africa	273
XXXVI	Australia	278
XXXVII	Japan	280
XXXVIII	The Lemieux Mission to Japan	293
XXXIX	"These Are the Times that Try Men's Souls"	302
XL	Peace at a Price	308
XLI	"Alas! We Are the Sport of Destiny"	310
XLII	After Laurier—Borden	324
XLIII	Echoes of the War	337
XLIV	"War is the Harvest of the Devil"	343
XLV	Police and National Service	354
XLVI	The Election Frauds of 1917	364
XLVII	Brought to Book	379
XLVIII	The Liberal Convention, 1919	384
XLIX	"Stand Not Upon the Order of Your Going —Go At Once"	396
L	A Government Difficulty	403
LI	North Atlantic Steamship Combine	413
LII	Nearing the Breakers	430
LIII	The Constitutional Crisis	442
LIV	Back At the Helm	449
LV	Pro Patria	453
	Index to Names	458

APOLOGIA

OTTAWA, January, 1860, the day of the Municipal Elections.

The weather is brilliant and cold, the abundant snow, high-piled on the sides, is well trodden down in the middle of the road by the eager voters flocking to the poll. These elections, in the absence of other issues (and perhaps because of such absence as is often the case in new communities), become a strictly personal matter. This time the contest is between a Scotchman and one of Irish extraction. Whenever the Scotch and Irish are gathered together, a certain liveliness can be looked for, and a generous interchange, half-bantering and half-bitter, of racial pleasantries and prejudices.

The candidate of the Irishmen was the Canadian-born son of a young scion of a Dublin family, who had emigrated to the new country in the terrible thirties and had succumbed to the unaccustomed hardships of the life. He himself was not present, being ill in bed, but his supporters were on their mettle. In the polling booth seated opposite to the returning officer was his nine-year-old son, dutifully obeying parental instructions by checking off the names of those who had voted, and passing out to the workers lists of names of those who had not.

Those were the days of open voting and the state of the poll was easy to follow. The contest was close and excitement ran high. Half an hour before closing time a crowd of about fifty stalwart Irishmen lined up, and as the clock struck five in the chill dusk the last

man had voted for his candidate. These votes settled the election, the exact majority being known with the last vote. The happy victors did not allow the absence of their candidate to spoil their triumph. A shout went up, "Pass the lad out of the window." So out of the narrow window he was duly passed by eager hands; and perched on the shoulder of one of his father's supporters, a small boy headed the procession which paraded the Ward.

That was the writer's introduction to politics, and the stamp of this little incident was never to be obliterated. Accident or fate, the door was opened to wider interests than merely personal ones, eventually leading into all the activities of a long public life spent on more than one continent, and touching in its passage nearly every man of note in Canada, and not a few prominent in Great Britain and in other countries in many parts of the world.

Hence this volume.

Port Hope, Canada,
December, 1927.

My Generation of Politics and Politicians

I

ROBBING PETER TO PAY PAUL

It is a waste of time to flog dead dogs, and an even more ungrateful task to hark back to the ancient mistakes of France and England where the North American continent is concerned. More than tea was flung into Boston harbour on that memorable day in 1775—an Empire was thrown away as well. Since that time the whole American policy of England has been an expiation of her lack of vision then, an expiation of which Canada has been the victim, in a policy for which Canada has paid the price. From the treaty of peace made with the New England States in 1783, after their successful break with the Mother-country, when the illimitable hinterland of North America south of the 49th parallel was signed away to them by Lord Shelbourne (ancestor of the Marquis of Lansdowne); and the Ashburton Award of 1842, and the Columbia river settlement of a year or two later, when New Brunswick and British Columbia lost territory to Maine and Oregon; to Lord Alvestone's surprising award in the Yukon boundary case, when the outlets of the chief salmon-bearing rivers of British Columbia were handed over to the Republic in 1904, and with this the more valuable portion of the canning trade, clearly forseen by the American plenipotentaries and deliberately ignored by the British—in every one of

these cases has Canadian interest taken a second place in pursuance of British policy where the United States are concerned. This probably will be done again, in a water-way dispute vaguely looming up in the future.

Though guided by a belated wisdom born of the experience of the American Revolution, the influence of the Colonial Office in London has not always tended towards the welfare and happy development of what was left of Britain's North American Empire. In fact, Canada grew rather in spite of the Mother-country's efforts than because of them.

Given a ruling caste devoid of wisdom and political foresight, moved only by a spirit of avarice where this wonderful but utterly unknown country was concerned, the prize went to the man on the spot, the man of whose courage and faith and of whose heroic efforts nothing commensurate with his deserts has ever been written. If only the story of the first settlement of Canada could be adequately told! How the tears scorch one's eyes over the pictures which leap to the imagination of the suffering and herculean labours of the first settlers of Ontario, for example. How poor and shortsighted by comparison appear the efforts of Louis XIV's councillors to establish in Canada a feudal system such as ruined France! How mean and grasping the trade monopolies granted by Stuart and Hanoverian kings to men who were practically free-booters and robbers! The "Gentlemen Adventurers of the Hudson's Bay Company" had few thoughts beyond furs. But the real wealth of Canada then, as now, lay in her sturdy people, those who came and bred their own kind, who drained the vast cedar swamps, cleared the sombre, sighing forests, bridged the turbulent rivers, planted the smiling orchards, grew

by the sweat of their brow the bright grain and waving corn and, above all else, loved their country.

The government of the western province of Upper Canada (now Ontario) was that of a Crown colony. Not until the point of rebellion had been reached in 1837 was responsible government granted, as the result of Lord Durham's memorable report, in the new Constitution of 1841, which united Upper and Lower Canada, but which was only put into operation in 1848, under Lord Elgin's Governorship. Students of Canadian history should read the accounts of the long struggle for freedom from the Colonial Office, which, with all its bitterness, only once overstepped the bounds of constitutionalism. The first meeting of the new Legislature for Upper and Lower Canada was an event of the greatest magnitude, little as onlookers, or even those who took part in the session, may have guessed. The new Governor-General, Lord Sydenham, may have been liberal in his sympathies, but his instructions had not been framed in the large spirit commensurate with the situation and problems of the new country, although the Colonial Office was undoubtedly anxious to be sympathetic. Sydenham found the young Legislature a little beyond his control. It was a motley crowd, but distinguished and able for the greater part. The Family-Compact Tories, representative of the old régime, were in a minority, but were determined to rule. The cautious, moderate Reformers, led by Baldwin, combined with the more advanced French-Canadian leaders under Lafontaine, continued to point out to the young country the road to full responsible government, which was however not fully consummated until 1848.

The present generation is reluctant to admit the debt that the Dominion owes to the French-Canadian

in the development of responsible government in this country. There are few pages in the history of any British possession more abounding in records of long-suffering patience than the annals of the Legislative Assembly of Lower Canada. The popular chamber of Upper Canada was ruled by a heartless oligarchy in the Family-Compact, but at least all were the same kith and kin and spoke the same language. In Lower Canada, the oligarchy that ruled was English, those whom they were ruling were French, and in the matter of intellectual qualifications, Papineau and his followers stood head and shoulders above their rulers. For more than thirty years the appeals of the people's party remained unheeded, notwithstanding the fact that it was the Catholic clergy, and the bravery of the French-Canadians, which had prevented Canada from being absorbed by the revolutionists of the New England States. Even Lord Durham's report, so comprehensive of the iniquitous administration under Crown government, in recommending the union of Upper and Lower Canada into one legislative body, excluded the French-Canadians from their proper share in the government. Happily the Colonial Office was wiser, for once. The English-speaking province was rent with feuds and factions. The French came into the new Parliament like oil on troubled waters, and the ship of state for a time rode safely forward.

. . . One day, at the lumber town on the magnificent bluff overlooking the Ottawa River, the writer, a little lad, with others from the old primary school near Sparks Street, found their playground in the possession of an army of workmen driving pegs into the ground to outline the area where huge excavations were to be made by a still larger army for the foundation of the new Parliament Buildings. He remembers the great

ceremony with which the foundation-stone was laid by a slim, fair-haired young man, heir to the British throne. He remembers with what ardent interest the small boys, sitting on the fence which kept them out of their old playground, watched the great building lifted tier by tier. And one, at least, felt vaguely that it was history being made, as well as a Parliament House being erected; and knew of a certainty what great dreams can go into stone and mortar!

II

"MEN, LIKE BULLETS, GO FARTHEST WHEN THEY ARE SMOOTHEST"—*Richter*

The two political parties in Canada, as they have faced each other since Confederation, had their beginnings in the old Parliament of the Lower and Upper Canadas of the early fifties, the spirits of both centring in the personalities of their leaders, George Brown and John A. Macdonald. These men were the very antitheses of each other. In whatever community or walk in life they might have met, fate and character had marked them out inevitably to be antagonists. George Brown was Scotch to the core, naturally somewhat aloof, rigidly puritanical in public and private life. John A. Macdonald was of an easy charm certainly, and, by a calculated shrewdness, never repelled those with whom he came into contact by any assumption of superiority in either tastes or morals.

These two men defined and shaped the principles of the parties whose guiding spirits they were, for more than sixty years; and it is the contemplation of the principles and achievements of these men, and of their followers, with the far-reaching results therefrom, which has prompted the writing of these pages.

One example of George Brown's rigid consistency may be cited. In 1847 the Baldwin-Lafontaine coalition came into power, pledged to deal with the question of the Clergy Reserves, the abrogation of which would make for ever impossible the establishment of a State Church in Upper Canada.

Lafontaine, as a Roman Catholic, found himself opposed to this policy from a wish not to imperil the supremacy of his own Church in the Lower Province. George Brown, as editor of the *Globe*, then the mouthpiece for all liberal opinion throughout the whole country, pointed out the cowardice and inconsistency of the government in not fulfilling its electoral pledges. In the general elections of 1851 the *Globe* bitterly opposed the Reform Government and gave its support to Conservative candidates who were pledged to the abolition of the Clergy Reserves. Through Brown's influence, Conservatives and Reformers united to defeat the Reform administration. A Coalition government followed, out of which the supremacy of the Conservative Party ultimately emerged, under the leadership of Sir Allan McNab and John A. Macdonald, who, notwithstanding their avowed determination *not* to secularize the Clergy Reserves, bowed to public opinion and settled the question for the sake of remaining in power. The whole episode had the effect of disrupting still further the Reform Party.

In 1850, Brown published in the *Globe* the then newly-promulgated Papal Decree in which the Papal Hierarchy had re-established its position in England by the creation of the Archbishopric of Westminster. The copy of the document had been shown him by a political opponent, Sir E. P. Tache, one of the leading Conservatives of Lower Canada. The *Globe's* criticism of the Roman Church was severe and provocative, on the ground that it was presumptuous to establish again in England an ecclesiastical See which had been obsolete since the days of Henry VIII. All this was more of a "War-Whoop" then than it would be now, but George Brown's attitude was bitterly resented by the Roman Catholics, always in fear lest the greater

population of the Protestant province should undermine the political power of their Church; and sent their representatives almost solidly under the banner of the Tory reactionaries, giving that party practically a monopoly of the Roman Catholic vote for over forty years. It was a serious tactical mistake, which a more astute man would not have made, to alienate French-Canadian sympathies from the Liberal group. He played in this way into the hands of his opponents. George Brown's consistency was of that order which could not traffic with expediency. His defeat in Haldimand (1851), a safe Reform seat, was due to the appeals of the Conservative Party to the electors against him, on account of his anti-Catholic views; and was the signal for lighting the sectarian torch in Canadian politics which has never since been extinguished.

In 1857 John A. Macdonald became Attorney-General of Upper Canada. A general election followed. Macdonald in Upper Canada and Cartier in the Lower Provinces swept the country, although in many cases with small majorities. In view of events fifteen years later some facts connected with this election should be noted. When the Legislature was convened, the Table of the House was loaded with election petitions charging wholesale corruption, personation and fraudulent voters' lists. It was worse than anything of Family-Compact time and looked a bad beginning for the young Parliament.

The Committee to which election petitions were referred was aghast. The proceedings in the Township of Clarence (County of Russell) may be given in detail as an example: Mr. J. B. L. Fellowes, the government candidate, had defeated the Reform candidate, Mr. Loucks, by a majority of fourteen, and had been

declared elected. There were sixty names on the assessment roll of this township, yet it was found that 348 had voted. Proof was forthcoming that the returning officer, after the poll had closed, had copied 250 names from a directory of Albany (New York), and registered these as voters. Details of similar practices were presented to the Committee concerned as having taken place in over thirty constituencies in the interests of the Conservative candidates, where more than enough fraudulent votes were registered to elect the government candidates. In the case of another Conservative candidate, Hon. John Rose, of Montreal (afterwards Sir John Rose, Banker, of London, England), hundreds of Grand Trunk Railway workers, who were not entitled to the franchise, were brought to vote in his constituency in his interest; and $6,000 were spent in bribery in that riding alone. Nearly half the government supporters were implicated in proved frauds. However, they resolved to stick together. By a majority of one vote, the House confirmed Mr. Fellowes in his seat. And though by a resolution unanimously passed at the same sitting of the Legislature, the Attorney-General's department was instructed to prosecute those who had been guilty of these corrupt practices, nothing was ever done. Some incidents in the subsequent career of John A. Macdonald may now be better understood.

All this time the disputes over provincial, sectarian and racial issues waxed fast and furious. The Union seemed to tremble in the balance. And in all this welter of conflicting opinions and prejudices, George Brown, through the medium of the *Globe*, never ceased to press the idea of a Confederation of all the North American provinces. Into this agitation the great tribune threw all his influence and energy, while John A. Macdonald fought the proposal at every step.

The official records of the Assembly and the Committee to which the question was referred, have established this fact beyond dispute. Yet some inspired historians of Canada insist on referring to Macdonald as the Father of Confederation. He, who tried to prevent it until the last ring of the bell!

To George Brown, and to George Brown alone, belongs the title. Though we shall hear how Jove's thunder was stolen from him.

Passing quickly over the defeat of Macdonald in the House, the summoning of George Brown, on July 29th, 1858, to form a government, the submission of the names of his Cabinet and their resignation (as members of the Legislature) preparatory to seeking re-election, the immediate defeat of the new government by a vote of non-confidence in the House, the refusal of the Governor-General, Sir Edmund Head, to grant a dissolution, and the return of Macdonald to office, by the grace of His Excellency, the formation of John Sandfield Macdonald's government in March, 1862, and his defeat in March, 1864; the writer will go forward to the events leading to the Confederation proposals.

In 1864, when Sir E. P. Tache was called on by Lord Monk to form a Cabinet, George Brown secured the appointment of a Committee representative of both sides of the House, to consider the great question of Confederation. The Committee reported:—

> "A strong feeling was found to exist among the "members of the Committee in favour of a federa- "tive system, and such progress has been made, as "to warrant the Committee in recommending that "the subject be again referred to a Committee in "the next session of Parliament."

All the members of the Committee voted in favour of

this report excepting John A. Macdonald, John Sandfield Macdonald and Mr. Scoble.

The evidence, so far, is clear that Macdonald had nothing to do with the conception, or birth, of the idea of the suggested Confederation of the North American provinces; but rather that he endeavoured to strangle the plan in its infancy. Now comes the brilliant volte-face; the fine (to give him due credit) opportunism which made his name and fame at the expense of a better man.

The Tache Administration, having failed to hold the confidence of the popular chamber, on June 16th, 1864, John A. Macdonald, then Attorney-General for Upper Canada, approached George Brown, through a mutual friend, with the proposal that he should enter the government with three supporters, for the main purpose of settling the constitutional questions at issue. Brown hesitated, as his friends feared treachery. But at the request of the Governor-General himself (who wrote personally), pressing him to take office,

> "They (the Tache-Macdonald administration) have "frankly offered to take up and settle, on prin- "ciples satisfactory to all, the great constitutional "question which you by your ability and energy "have made *your own*."

And George Brown accepted office, with Mowat and Macdougall as his colleagues. Sir E. P. Tache died. The usual personal and political complications supervened, threatening a last-minute disaster. Finally a compromise was made with the choice of Sir Narcisse Belleau as Premier. The work of Confederation went safely forward; and only when Brown was assured that there was no danger of the work failing, when the goal towards which he had been pressing was in sight, he left the Cabinet, leaving others to reap what he had sown.

Had George Brown remained in the government he would have participated in all the glory of the consummation of Confederation. It would have been only what was due to him, for John A. Macdonald to have called to the newly-formed Senate the one who, above all others, was the real inspirer and constant advocate of the idea of Confederation. Beyond the fact that it would have been a gracious act, and that of a gentleman as well as a statesman, there was a tacit understanding that both political parties were to share equally in the appointments to the Senate. George Brown was too proud to insist upon his rights. His great services were meanly ignored. His party felt that their leader had been treated badly. Seeds of bitterness were sown anew. And still another crop of difficulties sprang up in the tangle of Canadian political relations, already so full of mutual distrusts.

III

"RING OUT THE OLD"

The last session of the old Parliament of Upper and Lower Canada had been convened at Ottawa, the newly chosen Capital. The selection of Ottawa was not especially popular as far as can be ascertained, though a pretty story having no foundation in fact was freely circulated that Her Majesty Queen Victoria had herself chosen that particular spot on the map. Probably the idea was to get the new centre of government away from the factional disputes in Kingston and Toronto. At that time Ottawa had three means of connection with the rest of the country. Kingston could be reached in two days by the Rideau Canal, and Montreal in a day by steamboat on the Ottawa river—the latter one of the most entrancing voyages fifty years ago, that it is possible to imagine. In addition, there was a railway to Prescott by which connection could be made, east and west, with the Grand Trunk. This railway took twice as long to reach Prescott as it now takes to go by motor. It was narrow-gauge, with wood-burning locomotives; and the passengers were expected to lend a hand in loading the tenders from the piles of wood that adorned the little stations on the line, which might expedite the journey by as much as an hour. The fact is Ottawa was anything but an attractive spot in those days. To ill-kept and badly-paved streets were added poor hotel accommodation, incomplete water supply and inadequate drainage. No one could have dreamed what the city was to become. Ottawa of to-day is

indeed a magnificent city and can bear comparison with any other capital in the world. Its noble public buildings, its pleasant residential quarter, its fine bridges spanning the beautiful Ottawa river and Chaudiere Falls, all combine to form an ensemble whose splendour is enhanced by surroundings of singular loveliness. High bluffs and wooded hills rise sharply from the river-level, to merge at last into the blue Laurentian mountains crowned by the most gorgeous pageantry of sunset.

The personnel of this expiring Legislature was marked by unusual ability. For ten years or more, political life in Canada had been no kindergarten. The pace was hard, the conflicts fierce. Up in the Speaker's Gallery an indelible impression was made upon one youthful mind, an impression as clear to-day as sixty years ago. The characters then on the stage are still a vivid memory. There sits Macdonald, no orator, yet the leader of the House, casual but watchful, now and then exchanging with his followers the genially coarse yarns which he enjoyed so much. Cartier, his easy flow of broken English always a charm, his heart with his first friends on the other side of the House, was now chained firmly to Macdonald's chariot; Galt, noticeable anywhere, Tory to the core, yet soon to break with his Chief; D'Arcy McGee, with his leonine brow, now separated finally from the Reformers, hopeful of great things, but destined for the assassin's bullet; Cockburn, worthy of being the first Commoner in the new Federation; Hector Langevin, marked to go far, yet fated to fall; Richard Cartwright, the rising hope of the extreme wing of his Party, who within a few years was to break with his leaders, and be the means of introducing into the political arena a degree of personal bitterness hitherto

unknown, which even the grave could not soften, and who, under other administrations was to attain to high honour. There, too, is a trio of Reformers, William Howland, William Macdougall and Ferguson Blair, supporting the Macdonald government until Confederation should be safe, and presumably planning to return to their friends across the floor, where brilliant futures may await them. Yet how Fate willed otherwise!

To the left of the Speaker is the discouraged remnant of a once-great party. George Brown, dignified and serious, distinguished-looking above all the others, has drunk deep of the cup of disappointment; he has not reaped where he had sown, nor garnered where he had so long tended. Joining the Macdonald administration after his own defeat, solely to ensure the carrying out of his dream of Confederation, he found the association of his political opponents too unendurable to bear. His principles had overruled his sense of policy, and he saw the honours due to him wrenched from his grasp. There is Alexander Mackenzie, unmistakably Scotch, unimpressive save for the straight look in his honest blue eyes. What prophet would have picked him out for Prime Minister within a decade? And John Sandfield Macdonald, a veritable son of Anak, with a face not easily forgotten, soon to accept office at the disposal of the arch-intriguer over the floor, and break the friendships and ties of a life-time in the most intense bitterness.

All these men must have realized that a new page in Canadian history was about to be turned.

Looking back now, after a lapse of over sixty years, I can still see the principal characters on the floor of the House then. There were giants in those early days, physically and intellectually. The uncertainty of

political supremacy, the constant conflict for power, behind which ever loomed great principles as well as personal ambitions, called for strong men whose minds and characters had developed with the necessities of the hour. They were there in unusual numbers. It is safe to say that at no time in the history of the politics of this country, either previously or subsequently to Confederation, had any legislative chamber numbered amongst its members so great a proportion of men of outstanding ability.

The session was not altogether uneventful. An arrangement had been made when George Brown entered the Cabinet, to devote the session (with the exception of ordinary routine work) entirely to the legislation necessary for the completion of Confederation. His resignation was taken as justifying other government measures, which, in spite of his protests, were carried through, thus widening the gulf between the Reform members of the government and their old party associates. At this time, too, notice had been given by the government at Washington that the Reciprocity Treaty with the United States, which Lord Elgin had negotiated in the fifties, to run for ten years, had been abrogated. This was another question which George Brown had been making especially his own. His relations with the leaders of the Republican Party (in the U.S.) had been cordial, and throughout the Civil War, the *Globe* had expressed the utmost sympathy with the Northern cause and Abraham Lincoln's policy. If anyone could get a sympathetic hearing in Washington it was he; and the country looked to his being entrusted with this mission, as indeed he did himself. But it was Galt and Howland who were authorized to proceed to Washington to arrange terms with the American President and his

Cabinet. They failed. Brown then resigned from the Cabinet on account of his not having been consulted regarding the mission undertaken by these two.

A significant incident may be told here. During the Civil War a number of wealthy Southerners took refuge in Canada, and, mingling in Tory social circles, created a sympathetic Southern atmosphere, of which Northern spies kept Washington only too well informed. At the time of the battle of Bull Run, when the Northern armies suffered a very severe reverse, one or two Tory members, who had dined not wisely but too well, entered the Legislative Assembly with the news and, with a few sympathizers, started to cheer. At once the Speaker intervened. The great majority of the members on both sides looked aghast. There was a moment of deadly silence, but the mischief had been done. To the horror of everybody, American papers published an account of the incident as, "The Canadian House applauds the defeat of the Northern Troops." Whether or not George Brown might have overcome the acute prejudice that this created in the Washington Cabinet can never be known. He was not given the opportunity. Instead, another blow was aimed at him; another bitter disappointment meted out to him by his successful rival. Macdonald had determined to remove this lion from his path. He had worked for this end and he succeeded.

Forty-five years were to pass before Canada was to have another opportunity of negotiating a treaty with the great Republic on her borders. And that failure is only too well remembered.

IV

THE SMOKING FLAX

The wisdom that cometh after the event is given to all. Yet, no careful student of history, nor experienced diplomat, could fail to see that when England agreed in 1763 to maintain the French language in Canada, the future was pregnant with complications, unless the generations to come should be endowed with moderation and wisdom beyond that possessed by Solomon. Yet statesmanship of the highest order decided that the privileges of race and religion should be preserved, if only as a bulwark against the seductive influence of the restless spirit, now distinctly evident, in the British colonies to the south. The privileges were assured on the honour of the Crown—an inviolable pledge, it must be admitted.

Problems, racial and sectarian in their character, have been the great disturbing factor in the government of Canada for three-quarters of a century. There are two races, the British and the Gallic; two religions, Protestant and Catholic; two languages, English and French. Mutual want of confidence and the arousing of passions and prejudices is fraught with national danger. Even before Confederation, racial and sectarian issues had reached a point when government became almost impossible, the interests of race and religion overshadowing the solution of vital questions of government. An impasse seemed inevitable.

Previous to the union of the provinces, the government of Lower Canada was in the hands of the English-

speaking minority, subject to the control of the Colonial Office, although the population was overwhelmingly French. By the Imperial Act of 1840, the two provinces of Upper and Lower Canada were united under one government, each province being given forty-two representatives in the Parliament. Various British land companies, which had secured large areas in the eastern townships of Lower Canada, endeavoured to promote the settlement of Scotch and Irish in this district, but immigration into the Upper province was more popular, and in ten years the population of the latter so exceeded that of Lower Canada that an agitation arose for increased representation. This rapidly assumed a racial aspect.

Meanwhile, there were ominous rumblings of a sectarian agitation. The Irish Catholic population in Upper Canada had considerably increased, and demanded Separate Catholic Schools. This was bitterly opposed by a section of the Protestants, though the demand found an echo among the Protestants of Lower Canada, who also wanted their own Separate Schools there. The smoking flax of prejudice and passion burst into a flame. Every public question was coloured with racial and sectarian considerations. Government threatened to become impossible. Finally, legislation establishing Separate Schools was enacted.

It was decided that Confederation opened a path to the burial of these issues. Therefore, it was engrafted into the Constitution of the new Dominion, irrevocable, not to be repealed, that Lower Canada (Quebec) should have sixty-five representatives in the Dominion Parliament for all time; and as sixty-five would stand in fixed ratio to the changing population of the Province, so should the representation of the other provinces in the Dominion Parliament be fixed after each decennial

census. It was likewise decided that Separate Schools, as they existed at the time of Confederation, should also be a fixture, irrevocable, except by the same Imperial authority.

One can imagine that the statesmen of that day breathed more freely when, as they honestly believed, all racial and sectarian issues had been buried forever. But the ghosts still walk! And until present-day mediocrity can find no other way to attain political power than by appealing to passion and prejudice, so long will the development, prosperity and satisfactory government of this country be in danger.

V

"RING IN THE NEW"

When, on the 1st day of July, 1867, Sir John A. Macdonald received the summons from Lord Monck to form a Cabinet, he must have had a moment of realization that the fates had been kind to him. Brought up in humble circumstances, educated in a village school, then articled to a lawyer in Kingston and set on his feet by a rich merchant there, was a far cry from being the first Premier of the new Confederation of Canada. He had reached the height of his ambition; had attained to power and prestige beyond his dreams. Less than a century before, in the neighbouring republic, another had assumed the reins of government over a population little larger, but to reach that point, had, for ten long years, held steadfastly on through the horrors and weariness of the War of Independence, fighting for the political principle which gave him the right to be called the "Father of his Country." The efforts of Sir John A. Macdonald had been confined to intrigue and the manipulation of other men; his victories, to those over his rivals and opponents. The cause of Confederation itself had only been espoused at the last minute. To plagiarize for him George Washington's title, is to be as bemused as were his contemporaries with his mere personality.

Yet in his hands now rested all the power which the patronage of the new administration gave him. The appointment of Lieutenant-Governors, until now

the prerogative of the Crown; the nomination of Provincial Premiers, formerly the prerogative of the Governor-General; the choice of new Senators, the nomination of the Judiciary, even the control of the election machinery—all this was in his hands. Few indeed have had such an opportunity as was presented to Sir John A. Macdonald. Few have had such power as was committed into his hands—power guaranteed to him for years to come should he but prove worthy of the trust.

The Confederation of the North American Provinces became an accomplished fact in 1867 on the 1st day of July—which was henceforward to be Canada's National Day. The first elections for the new House of Commons revealed the depletion of the Reform Party in Ontario. The Opposition, in point of numbers, presented a rather sorry spectacle, but in point of ability was not to be despised. A new outstanding figure was Edward Blake, one of the most brilliant minds which ever adorned the Commons. Alexander Mackenzie, that sturdy Scot, drifted unconsciously into the leadership of the party, and surprised everybody by his aptitude for the position.

On the government benches was a galaxy of talent such as Parliament has seen only once since. From the new Premier down were men of great ability. By the irony of fate, the man above all to receive the acclamations and the honours was not he to whom the idea of the Confederation had been for years a holy cause. No! But the one to whom it had come to mean a safe political investment, with plenty of "ground floor" accommodation as bargaining power. Sir John A. Macdonald had surrounded himself with the best brains that Ontario, Quebec and New Brunswick could offer. Nova Scotia alone stood against his

government. The Confederation had carried there only one seat out of eighteen, represented by Dr. Tupper, to become better known in later years, but then occupying a humble position four rows back. On the opposite side of the House was a massive figure, with clear-cut austere features, piercing eyes and lofty brow, Joseph Howe. He was epitome of everything that Sir John A. objected to, and he had an almost solid Nova Scotia phalanx behind him, strongly opposed to the manner in which that province had been coerced into the Confederation. Howe was the greatest orator in the Canadian House, not even excepting D'Arcy McGee. At this time he was at his best; his notes were forgotten when he rose to his feet. Gradually, as he warmed to his subject, he would step forward until he reached the middle of the floor of the House; then, unhampered by chairs or desks, he would let himself loose! Sir John A. resolved to muzzle and chain that lion. A solid province against his government, and one with such a leader, was too serious an opposition to be left at liberty. So, one or two sessions later found Nova Scotia in receipt of a largely increased financial allowance ($87,000 annually) and the great tribune with a minor portfolio in the Tory Cabinet, as one with a broken heart. The writer only once heard him break silence afterwards, at a Y.M.C.A. lecture, when he denounced the British government for withdrawing their troops (including the old sentry boxes!) from Canada. The lecture caused a certain complication with Government House, and many explanations from the Prime Minister, who must have wished that his muzzling order had been still more stringent.

There was serious trouble in the Cabinet itself on account of Howe's indiscretion in this matter. Sir

Francis Hincks had returned from his governorship of the West India Islands an extreme Imperialist, to whom any reflection upon the British government was as an intrusion into the Holy of Holies by the unsanctified. He threatened to resign from the Cabinet unless Howe was publicly repudiated, and said he would oppose the government if Howe remained in it. The situation called for a good deal of Sir John's tact. He counselled patience, and reminded his indignant colleague that to dismiss Howe would be to turn him loose amongst the dissentients in Nova Scotia. Hincks, however, refused to attend the meetings of the Cabinet to discuss the matter. It was finally settled by the official withdrawal of the offending pamphlet with its strictures on the British government, in the hope that everything would soon be forgotten. Hincks was persuaded to withdraw his resignation, though he and Howe ceased to speak to each other. Ultimately Howe was got rid of by being appointed to the Lieutenant-Governorship of Nova Scotia, in which position he would scarcely have the freedom to do much harm by indiscreet public speeches. In fact, however, Howe by this time was silenced for good.

The first sessions of the new Parliament were occupied with large questions and serious issues. As one of the conditions of the Confederacy, the construction of the Intercolonial Railway had to be undertaken without delay. The rallying of contractors to the Capital gave point to William Macdougall's jibe that "this work should keep the government in power for twenty years." Then the purchase of the Hudson Bay Company's rights in the West, followed by the outbreak of the Reil Rebellion, brought home to Parliament the weight of the responsibilities the country had assumed. Too, the long-pending trouble of the fishing

rights between the United States and the Maritime Provinces, now assumed by the Confederation, had to be settled by negotiation. The Arbitration Convention met at Washington; Sir Stafford Northcote was the English plenipotentiary, Sir John A. Macdonald his associate. Canadians were ardently convinced of the justice of their cause, and profoundly distrustful of the impartiality of Mr. Fish, the American Secretary of State. The suggestion that he was known to have made, that Canada should be handed over to the United States in settlement of the Alabama claims, had roused the most furious resentment. The negotiations at the Conference were prolonged; but in the end, under strict instructions from Mr. Gladstone's Cabinet, Sir Stafford admitted the American contention.

Disraeli afterwards characterized the Treaty as: "one of the most shameful events in British history," and explained that he was prevented from expressing his views publicly because his colleague, Northcote, was persuaded by Gladstone to act as plenipotentiary for Great Britain.

The Canadian Prime Minister fought hard against appending his signature to the Treaty. Rumours of his attitude, and various confidential communications to his Cabinet, as well as to a small circle which included the leaders of the Opposition, created a feeling of tension in the Canadian Parliament. Sir John A. was honestly grieved. But there was no escape; it had to be according to Northcote's instructions. Sir John's speech in the House afterwards did not allay the bitter resentment the country felt against the Home government. In the course of his speech he said:

"I must say I am greatly disappointed with the course taken by the British representatives. They seemed to have one thing only on their minds, to go

home with a treaty in their pocket settling everything no matter at what cost to Canada."

All the old bitterness over the Ashburton Award, unallayed, needless to say, by the Columbia River decision, was roused anew. It was held to be another illustration of the callous indifference with which Canadian interests were regarded in the Mother country.

Before the first Parliament had come to an end, British Columbia had entered the Confederation, and its representatives in the House of Commons, it was assumed, would be supporters of the administration. As well, a promise was made that there would be constructed a trans-continental railway through to the Pacific coast at as early a date as possible. Immediately the matter became a very live issue. The question was, how was this railway to be undertaken? Was it to be built by the government, or by a company subsidized by the government?

At that time the House of Commons possessed a high standard of honesty in public affairs. As is always the case in times of political uncertainty, strong characters had come into being. There were intellectual giants in the Canadian Parliament in those early days of Confederation; but better than the evidence of intellectual power, was the fact that up to this time few members had been implicated in political scandal, and certainly there was no hint of personal corruption against any.

Sir John A. Macdonald was about to make an appeal for a renewal of public confidence in the government which had been in office since Confederation. His position was not too secure, as the Liberal Opposition had already captured the most important of the provincial legislatures, and had grown in strength in

the Federal House, until it had become a serious menace to Sir John's retention of power. Long before the end of the Session, he realized that the coming election would be no such "walk-over" as the previous one had been; but that his government would have to fight for its very existence. The evident danger inspired him with a courage more allied to recklessness than discretion.

Sir Hugh Allan was the head of the Allan Steamship Company, an enterprise of small beginnings, but which with the aid of government subsidies and contracts for carrying the mails between Canada and Great Britain, had grown to be one of the largest and most prosperous transportation companies on the Atlantic ocean. Ever since the trans-continental railway had been mooted, Sir Hugh had had his eye on the possibility of getting the contract for its construction. He knew the Tory Premier's love of power. He knew also that Sir John A. looked forward with some misgivings to the pending appeal to the electors. He therefore selected the time as auspicious to open negotiations for the much-coveted Pacific Railway charter, with the object of carrying out the terms of the agreement by which British Columbia had entered the Confederation—the construction of a railway across the continent within ten years. Sir Hugh Allan promised Sir John A. Macdonald a subscription of $100,000 (£20,000) to the party funds, if the government would give him and his friends the charter for the construction of the line. In those days the amount held out as a bait to the First Minister was looked upon as a large sum. Sir Hugh pressed for the introduction of the necessary legislation during the last Session of Parliament, before the elections. Sir John A. at first considered this impossible, as it would

give the Liberals another reason for appealing against him to the country. He wanted Sir Hugh to accept his assurance that, if successful at the elections, he would enter into a satisfactory arrangement then, introducing the necessary legislation in the first session of the new Parliament. Sir Hugh practically replied, "It is now, or nothing." Both the negotiating parties were Scotch, possessing in full measure the acumen of the race. Sir John A. was a politician and considered a promise of this kind as good as a bond, providing the elections should be satisfactory. Sir Hugh was a business man accustomed to have every contract in black and white—he did not care to part with his money without holding security in the usual form.

Finally, Sir John Macdonald agreed to the details of a definite arrangement by legislation: (1) the incorporation of the Canadian Pacific Railway Company, and (2) the approval of Parliament to a contract with the company for the construction and maintenance of the line. After a strenuous fight against the proposals by the Opposition, these Bills were accordingly carried through Parliament in 1872, immediately prior to the general elections. Donald A. Smith was one of the charter members of the company. He was asked to join the Board of Directors to ensure his support to the measure. In how far Sir Hugh took the charter members of the company into his confidence as to the promised subscription to the election funds remains a mystery. Precautions were taken by Sir John A. Macdonald and Sir George Cartier on the one hand, and Sir Hugh on the other, to prevent their mutual agreement becoming known. Probably nothing would ever have been revealed had not the Opposition developed unexpected strength in the campaign, naturally increasing the anxiety of the administration

as to the possible result of the election. Sir John A. Macdonald and Sir George Cartier forgot the necessity for the caution exercised hitherto, and made personal appeals to Sir Hugh for further assistance, both by letter and telegram. Sir Hugh paid in bribes, direct and indirect, and in "loans" to Sir John A. Macdonald and different members of his administration the sum of $440,000 (£88,000)..

Sir John carried the country; but the denouement proved that in an endeavour to secure an extension of power he paid a heavy price, leaving a stain on his memory which time can never efface.

Another event of this Parliament, and one not by any means as insignificant as it might have appeared, was the definite break of Richard Cartwright with his party. He was the descendant of a United Empire Loyalist and the rising hope of the aristocratic Tories of that day, having very little in common with this fellow-townsman, John A. Macdonald. The immediate cause of the break was Sir John A. Macdonald's appointment of Sir Francis Hincks to the Ministry of Finance in the place of John Rose, because he wanted to keep his hold on the Reform vote by putting another Reformer in his Cabinet. Sir Francis had been Leader of the Reformers in the old Parliament, more recently Governor of the Windward Islands, and had finally returned to Canada. Cartwright had written to Sir John A. strongly protesting against this appointment, and when Hincks was sworn in as Finance Minister, Cartwright notified Sir John A., in a letter dated October 12th, 1869, of the withdrawal of his support from the government. Sir John A. accused Cartwright of personal motives and jealousy over the preference of Hincks to himself. Be that as it may, a still greater reason for Cartwright's cutting away from his old

political associates was his native independence of character; and the perception he certainly had that for a government to be so closely allied to a great corporation might be dangerous to the community. His own aspirations were of a most lofty character. In Parliament and out, he became the unforgiving and unremitting thorn in the flesh to Sir John A. Macdonald throughout the remainder of his public life; and more than all, the outstanding champion of Liberalism. Once when in a journalistic capacity I asked him for an interview on a public question, I was overwhelmed with his geniality and kindness, and it was the beginning of an intimacy which continued to the end of Cartwright's life.

The Opposition presently found its feet. The Party known as Reformers since the days of the Family Compact, was gradually to assume the title of "Liberals." The sessions of 1867-1872 made it a firmly organized body, with strong capable leaders, Mackenzie and Blake in Ontario, Dorion and Holton in Quebec, and Jones and others in the Maritime Provinces. The opposing forces were thus drawn up for the coming contest.

VI

THE NEW ONTARIO LEGISLATURE

Coincident with the formation of Sir John A. Macdonald's Cabinet which assumed jurisdiction over Federal questions, the provincial governments naturally came into existence. In the case of Ontario, Quebec and New Brunswick, quasi-Conservative governments were formed whose Cabinets were in political sympathy with the Federal administration. Quebec was essentially Bleu. In Ontario, Sir John A. named Hon. John Sandfield Macdonald, who had been a pronounced Reformer all his life, though not always seeing eye to eye with George Brown. Evidently under Sir John's influence, John Sandfield formed a coalition Cabinet, his principal colleague being Matthew Crooks Cameron, K.C., a high type of an old-fashioned Tory. The first provincial elections gave John Sandfield Macdonald a working majority. Quite a number of Confederation Reformers voted for his government, and, naturally, the Conservative electors, it being fully understood that he was holding office under the support and by favour of Sir John A. Macdonald. At this time dual representation, the right to sit in both the Federal and Provincial Parliaments, was allowed. Many members of the first provincial legislature represented constituencies also in the House of Commons. From the beginning John Sandfield Macdonald's government was strongly opposed by George Brown, and a large body of the Reform electorate. At the first meeting of the Legislature the new government found an exceedingly able

Opposition under Edward Blake's leadership. Among his colleagues were Alexander MacKenzie, T. B. Pardee, Archibald McKellar and many others who afterwards attained distinction in political life.

It will be remembered that John Sandfield Macdonald was opposed to Confederation. He was one of two others who voted with John A. Macdonald against taking action towards a federation of the Provinces on a Committee specially appointed by the Legislature of Upper and Lower Canada to consider this question. It was John Sandfield Macdonald's opposition to George Brown in this matter that, no doubt, led Sir John A. to offer him the Premiership of Ontario in the expectation that it would widen the breach with George Brown, and eventually force him permanently into Sir John A.'s Liberal-Conservative Party. John Sandfield's administration was marked with the most exemplary honesty and rigid economy. He introduced legislation very early appropriating certain powers and authority to the Legislature. Blake took exception to these proposals as being beyond the jurisdiction of the Province and entrenching upon the rights of the Dominion, and at the same time wrote to Sir John A. directing his attention to the Bill. The Federal Prime Minister lost no time in communicating with John Sandfield Macdonald on the question, pointing out that any proposals of that character would be disallowed at Ottawa. This was the beginning of friction between the Province and the Federal government on the question of Provincial rights, which subsequently assumed amazing proportions, and is still a lively issue.

Meanwhile the government and Opposition were coming to grips. There were slowly-developing differences in opinion on clearly-defined principles to be presented at a general election that could not be long

deferred. This was the railway promotion era. The government was pressed to give assistance to railways much needed in different parts of the Province. Instead of selecting certain lines as entitled to subsidies, the decision was reached to secure from the legislature a grant of about three millions of dollars, and by Order-in-Council allocate this money to railways which the government might consider most necessary. The Reformers took the ground that the House should decide what railways should receive assistance. The government persisted in its own policy. In the election which followed this was the principal point of cleavage between the political parties. The expectations of favours to come out of this fund elected a majority of government supporters. Petitions for corrupt practices were presented against several members and seven government supporters were unseated. There was no authority to issue new writs for elections in these unrepresented constituencies.

When the Legislature was convened (1871), the government nominated R. W. Scott, M.P.P., of Ottawa, as Speaker, a Conservative who had been in the old House many years. The Premier moved the adoption of the Address in reply to the Speech from the Throne. The House was almost evenly divided, owing to the seven vacant seats. A most acrimonious discussion immediately started, continuing from day to day. The first division was a tie, and the Speaker voted against the government. The Premier refused to take the vote as a Want of Confidence. The storm beat fiercely around the Speaker for his appearance of treachery. The Opposition proposed more resolutions, directly expressing want of confidence in government. Then Hon. E. B. Wood, member of the administration, familiarly known as "Big Thunder," announced his

retirement from the government and his intention to vote for Opposition resolution. In a waste-paper receptacle near his desk was afterwards discovered torn pieces of paper which, on being put together contained the writing "Speak now" in Blake's handwriting, gave rise to all kinds of personal bitterness. Finally after several motions of Want of Confidence were passed by the House, the government resigned and Edward Blake was called on to form a Cabinet. He offered the Speaker a portfolio. R. W. Scott wrote a long letter to Sir John A. asking his advice about accepting the seat in Blake's Cabinet. Before receiving the Federal Prime Minister's reply, Scott was sworn in as Commissioner of Crown Lands, for which he was never forgiven by Sir John A. Macdonald. Scott was the representative Roman Catholic in the Legislature, and father of the Separate School legislation in the old Parliament of Canada. With the aid of the bye-elections that followed, and the return to the Reform Party of stragglers who had supported the late coalition government, Blake was firmly seated in the saddle. Legislation was introduced by the new government rendering members of the House of Commons ineligible to sit in the Provincial Legislature. Edward Blake then approached Justice Oliver Mowat to resign from the Bench and take the Premiership of the Province. This was done, and Blake and Alexander Mackenzie retired from the Legislature, confining their political duties entirely to Federal politics. Thus was laid the foundation of the Mowat administration which continued until Sir Oliver Mowat accepted office under Wilfrid Laurier in 1896.

VII

THE DOG IN THE MANGER

Though in the great Republic to the south, settlement of the western plains had been going on for more than a generation, the great west of Canada was as yet a sealed book. As late as the decade 1860-70 it was taught in the Canadian schools that the Hudson's Bay Territory was as uninhabitable as the Sahara desert, and was believed to be covered with snow and ice. In fact, Greenland was regarded as offering a more suitable field for settlement. The Hudson's Bay Company was formed in 1670 by a charter from Charles II, granted to Prince Rupert and seventeen other noblemen and gentlemen, as the "Governor and Company of Adventurers of England trading into Hudson's Bay." To the Company was secured the "sole trade and commerce of all those seas, straits, bays, rivers, lakes, creeks and sounds . . . that are not actually possessed by or granted to any of our subjects, or possessed by the subjects of any Christian state," thus confining their activities (1) to all such territory as was then the property of the British Crown; and (2) all such territory as might, through discovery, become His Majesty's property. In point of fact, the country claimed for exploitation by the Company remained more or less indefinitely the appanage of France, until the Treaty of Ryswick in 1814 specifically ceded the whole of the Hudson Bay district to Great Britain. Even then, since 1793 the Company had merely the same rights as other traders.

This vast country covered an area of more than two million square miles, and was peopled by utterly uncivilized Indians. Early in the seventeenth century, the Jesuits had formed the first noble band of devoted self-sacrificing missionaries, who pressed their way into the wilderness with the Story of the Cross, though they were only partially successful upon a fringe of the roving population, the majority continuing their heathen practices until comparatively recent times.

It must not be overlooked that in the early years the treatment of the Indians by the Company during the long period they held unlimited sway in the Great West was not altogether unworthy of the traditions of British governorship. The patience and wisdom of the Company's officials were frequently severely tested, as the records of the Company prove; but there grew up amongst the tribes a sense of confidence in the British flag. Too, the missionaries, both Protestant and Catholic, rendered immense services. The Company took no steps to bring white women to these distant settlements, and there was a certain amount of inter marriage between the officials and the Indians, who were at that time a very different race from what they are to-day. Then they were a virile, sturdy type, brave warriors and intrepid hunters, not, as now, beholden to the bounty of the state for their existence. To be a descendant from a race of that character can furnish no cause for regret. Half-breeds became a recognized element throughout the territory, and marrying, as they did, almost invariably into the scattered white population, the evidences of Indian blood quite disappeared in many cases. The children were educated in schools provided by the Church, and became thoroughly Caucasian in thought and custom.

Whatever inducements the Company may have offered to its servants in the very early days of its establishment in the country, when the Indians must have been a constant and terrible menace, in later times, it became a veritable tyranny. It ruled with an iron hand. The scattered inhabitants of the territory and the Company's employees alike were held in rigid subjection. Neither freedom of action nor freedom of speech was permitted. The Factor of a district was an absolute ruler. Like the Centurion of old, the commands of the Factor must be obeyed. No one could question his authority. The isolated situation of the officiers naturally fostered autocracy, there being none of the subduing influences which come from contact with one's own caste. This tendency was encouraged by the Company as it brought about a spirit of military discipline, and created barriers against intimate relations between superior and junior officiers, which prevented the possibility of any system of dishonesty in trading operations spreading.

It is not a matter for surprise that there were some among the Factors, who sought to satisfy personal grudges by sending subordinates upon dangerous missions. There is more than one instance on record of those, who instead of going where they had been ordered into regions which were reputed to be death-traps, quietly slipped away to seek a livelihood with a similar association of traders in the United States; then twenty or thirty years later, having attained to positions which enabled them to defy their old tyrants, they returned, to prove that neither time nor absence had dulled the memory of their wrongs.

This system of tyranny was a deliberate policy of the Company. It was not to its advantage to encourage any surmises as to the immense possibilities of the

territory. The Company was making a fine thing out of furs and the trade with the Indians. Nothing else was to be permitted if the Company could help it. But when an agitation finally arose and the demand grew insistent that this land should be open for settlement as were the Western States, investigations into the Company's policy and methods were bound to follow. In England there was a Parliamentary Enquiry in which a good deal of testimony under oath was given; though the Company's parliamentary representative endeavoured to minimize certain evidence which reflected upon the business tactics of the Company in its dealings with the Indians, and the restrictions imposed by the chief officials upon those under them.

Nevertheless significant evidence was elicited. The Indians were openly cheated, underpaid and overcharged. In illustration of this it is shown on page 30 of the Report that a gun costing the Company 22s. (about $5.30) was sold to the unsuspecting Red Man on the following basis:—

20 Beaver skins	of the market value	of £32.	($158.00)
60 Marten	" "	" £46.10.	(226.00)
5 Silver Fox	" "	" £50 .	(224.00)

The Company's servants had to pay an advance of 50% on the cost of merchandise and supplies, and the Indians were charged from 200% to 500%. Intoxicating spirits were bartered in exchange for furs at even higher rates of exchange.

This might be good business for an ordinary Company, but it was immorality with a monopoly. While on the United States' side of the boundary, prices for furs three or four times higher were to be obtained, yet Indians discovered trading elsewhere than with the Company were refused the necessaries of life from the Company's stores. Freighters were licensed by

the Company, but were not allowed to traffic beyond stated limits, nor to carry freight for persons engaged directly or indirectly in the fur trade. Officials and servants were prohibited by regulation from retaining any record of what occurred in the country. One official was made to burn his private journal before leaving the Company's service. No letters were allowed to go through the post without the Company's censorship; they were to be left open for perusal by the Company (Report, page 97).

Settlers who were known to have complained of their dealings with the Company were refused permission either to sell their produce, or to buy their necessaries at the Company's stores. Missionaries were peremptorily ordered to "shut their mouths" if they dared criticize the administration of the Company—though it is only fair to add that many had their stipends augmented by the Company.

But, what is more a matter of censure than anything else as showing the determination of the Company to keep the public in ignorance of the possibilities of the West, was the statement of Sir George Simpson, a high official, "that no part of the Hudson Bay territory was fit for settlement." This verdict also applied to the Red River district, "where, for about a mile from the banks of the river there was merely a thin skin of soil."

Yet—with what reluctance can be imagined—a statement was produced to the Committee showing the growth or increase in the capital stock of the Company:

1676	£ 10,000
1690	£ 31,000
1720	£103,950
1804	£400,000
1859	£500,000

Upon the capital, out of which enormous dividends were paid, wrung out of the Indians, apparently only £13,000 cash had been paid into the coffers of the Company in exchange for stock!

No wonder with a "silver fox-skin or other equally valuable fur, obtainable for three or four tin kettles" (page 278) it "was not the wish of the Hudson's Bay Company that the settlement of the country should be favoured" (page 241).

Upon such evidence (which is only a fraction of that given before the British Parliamentary Committee, and at the Enquiry by the Parliament of Upper and Lower Canada) the most conservative historian would be justified in language more condemnatory than was ever uttered against Clive and Hastings for their exploitation of the native Royalties of India. They took from the rich. But the "Gentlemen Adventurers of the Hudson Bay Company" played the part of bandits and robbers toward the weak and starving, whose only means of subsistence was in the luck of the trap, or the gamble of the chase. It is not an attractive chapter in the history of British trading. A great deal has been written from time to time of alleged philanthropic work and general enlightment amongst the aborigines of North America included in the operations of the Company. Much of this was propaganda inspired by the Company. Certainly the revelations made before the Special Committee of the British House of Commons in the fifties came as a rude awakening both to the public and to the historians. Very little of the evidence could conduce to the idea that the Company of "Gentlemen Adventurers" were animated by anything but a desire to fill their pockets as quickly as possible before they were found out.

Yet one ex-official had said "the incomparable advantages this delightful country possesses are not

only lost to its inhabitants, but to the world, as long as it remains under its present rulers." . . . And this was the land, one day to be the granary of an Empire, hidden behind the lies and greed of a Company which had no legal right to exist!

Was ever such a bluff?

In 1857, these rights were abrogated. The Legislature of Upper Canada refused to recognize the status of the Company. It declared that the Company's claims to territory or trade under a Charter of Charles II "has no foundation in law or equity".

VIII

THE DARK HORSE

The annexation of the Hudson's Bay territory was immediately followed by representation being accorded to the district in the Canadian Parliament. It was fitting that the first constituency should be named Selkirk, in memory of that courageous traveller, who, with his intrepid companions, had settled along the Red River in the early nineteenth century. It was, also, quite natural that the first member to be elected should be the Vice-Governor of the dispossessed Company, Donald A. Smith.

The most important figure for nearly two generations in the public life of Canada was to be this same Donald A. Smith, though not until long after he had become an unseen influence was his power recognized. For forty years his personality was to count in every political crisis. He moulded the tone of the political life of the country as well as the character of its legislation. Immense fortunes were created as the result of his influence in Parliament. On many occasions the Legislature simply registered his decrees, yet without being aware of the fact.

In 1838 Donald A. Smith left his humble home in Forres, in the north of Scotland, to engage in the service of the Hudson's Bay Company at a salary of £20 per year. He was seventeen when he landed in Montreal from a supply-ship owned by the company, a tall, straight lad with the clear blue eyes and thick red hair of his racial type, and rather heavy unattractive

features which gave no hint of his latent power. There was nothing about him to indicate the influence he was destined to exert in his new sphere.

The twelve-hundred-mile journey from Montreal to the shores of Labrador severely tested his willingness to remain with the Company. He was going to a place where tidings from the outside world would reach him only once a year. For the most part, his companions would be Indians and wild-fowl, the stoicism of the one and the plaintive note of the other emphasizing the almost overwhelming sense of desolation. Even to-day Labrador is the jumping-off place of the world. What it was in 1838 can scarcely be imagined! But there was no possibility of retracing his steps.

In the various positions he filled in the service of the Company, from Labrador to the Hudson Bay, and then across the vast trackless prairie to the foot of the Rocky Mountains, the years slowly moved, and witnessed his promotion to Factor, or Superintendent, over the many forts and trading-posts scattered throughout the western district. In this position he had appreciable responsibility and influence, and a distinct increase of authority over his juniors, far beyond that which he had previously wielded. Although all profits in trade were usually claimed for the Company by the superior officers, sometimes opportunities were taken advantage of by officers to trade on their own account with the Indians, and Donald A. Smith had himself profited to the extent of nearly $50,000 at the time he left Labrador. As one of the most prominent in authority, he secured the confidence of his fellow-officers, and was entrusted by them w th their savings for investment. Up to this time the officers had been accustomed to draw their salaries once a year.

Donald A. got them to give him authority to draw their cheques every month. This gave him control of large sums of money, and made him of some account in banking circles. The only stipulation his fellow-officers made was that they should receive a small annual interest of three per cent. Donald A.'s duties rendered it necessary that he should frequently visit Montreal for the Company. During one of these visits to the commercial capital of Canada he was persuaded to invest in the stock of the Bank of Montreal. This stock in a few years largely increased in value. Foreseeing this with his usual shrewdness, he also invested the moneys entrusted to him by his associates. In course of time, his name ranked among the largest shareholders in the Bank of Montreal, and he was elected to a directorship. The confidence thus shown was a fitting recognition of his interests in the Bank, though his frequent and extended absences on the Hudson's Bay Company's business did not permit him to attend the meetings of the Board with regularity. Thus was the foundation of his fortune laid.

In the Company one promotion followed on the heels of another and, just before the time the Company's territorial interests passed under the control of the Canadian government, he found himself installed at Fort Garry, now the site of the city of Winnipeg, as Resident-Governor, exercising absolute sway over that vast tract of land which extended from Hudson's Bay to the foot of the Rocky Mountains—an area greater than France, Germany, Hungary, Scandanavia, Holland and Belgium combined.

In 1871, Donald A. Smith took his seat in the House of Commons as a supporter of the government of the day, led by Sir John A. Macdonald. He was heartily received by both political parties as the repre-

sentative of the New West. On all sides it was recognized that his presence as such at Ottawa marked a distinct advance in the young Dominion. The Liberals welcomed him as the representative of the territory, the control of which by the government of Canada they had long advocated. Yet neither Party guessed the hidden power in that typical western figure, which was destined to mould the history of the country to his own purposes; nor dreamed that so many of their number, willing or not, should be in his hands as the clay to the potter. From this time dates a career more interesting in all its details, and more far-reaching in its results upon the commercial, social and political life of the Dominion of Canada, than that of any other individual in the history of the British colonies.

It has been suggested that a similarity exists between the lives of Donald A. Smith and Cecil Rhodes at this point of their careers. But, does it? Cecil Rhodes was dreaming more of an Empire than of personal advantages to himself; Donald A. Smith was dreaming of the development of an Empire that might be turned to his personal aggrandizement; and as their dreams developed into experience, the ends each had in view became still wider apart. Cecil Rhodes was a born leader of men in the political arena; Donald A. Smith was not, but he had no peer as a shrewd manipulator of political leaders for his own purposes. The contests of the one were fought out in the noontide glare of a public career; the other discomfited his opponents in the shadow of secret conferences, and behind carefully guarded doors.

Donald A. Smith had directed an army of officials employed by the Hudson's Bay Company; he had controlled the uncivilized Indians throughout a vast

territory. The shrewdness sharpened by such experiences was soon to have a wider field of action. Certain characteristics assimilated and encouraged by contact with the Red Man could be used advantageously in another sphere. Taciturnity and ruthlessness were to become potent weapons in his hands.

Donald A. Smith knew, as did no one else, the possibilities of that wonderful land lying between Fort Garry and the foot-hills of the Rocky Mountains. He was familiar with the fertility of the Great West of the United States. For many years, on his journeyings to and from eastern Canada, he had traversed the prairies south of the Company's jurisdiction. He was aware that the Canadian area was a continuation of the same belt of fertility which was the basis of the accumulating wealth of Chicago and other western cities. Years before, he had heard, wending their way up the valley of the Red River to the Hudson's Bay Territory, the muffled thunder of countless herds of buffalo from the United States, forced forward by the advancing tide of western settlement. He had seen them increase and multiply in the area under his control. He knew that as they had increased in the Western States, and even to a greater extent in British North America, so could be measured the respective fertility of the soil. He was well aware that where buffalo thrive, cattle can feed by the million, so that probably in this country wheat would yield crops such as the world had not yet seen. He knew that the territory over which he had held jurisdiction for so many years was favoured with two hours' longer sunshine, during the wheat-maturing season, than any other wheat-growing area in the world. The immense value of these considerations did not escape his calculations.

Further, he had seen railway enterprises in the Western States grow to enormous corporations in a decade or two. This suggested that what others had done in the neighbouring republic he himself might accomplish in Canada. A railway had already been projected and partially constructed towards the Canadian border from Minneapolis, but it had not realized its promoters' expectations, and the managers were discouraged. To have that line completed was now his object. Beyond this, the idea of securing the control of a charter for the construction of a Pacific Railway through Canada had become a definite aim. The means to accomplish this became the controlling influence of his every action after he had taken his seat in the House of Commons.

On the announcement that the Canadian government had taken possession of the Hudson's Bay territory, the investing public in both Great Britain and Canada conceived the quite erroneous idea that the Company had been forced out of its "rights" upon unfavourable terms. A rumour to that effect was all that was necessary to cause a panic amongst a large number of the scattered shareholders of the Company. The holders of many of these shares were widows and orphans of army and navy officers, and of limited means. They had not been officially notified or advised that under the arrangements which had been effected with Canada the assets of the Company were likely to become very valuable, or that immensely increased dividends were more than possible under the new regime. It is easy to be wise after any event! But in this case it is difficult to understand the lack of imagination on the part of the shareholders in a fur-trading company, who could not realize that any land opened to civilization and cultivation must inevitably

produce more wealth than one given over to Indians and trappers. Intense anxiety was manifested on the London market to sell these shares.

Yet there was one who did not find his courage deserting him at this juncture, nor was he in any doubt as to what should be done. This was Donald A. Smith, the Resident-Governor of the Company in Canada. He did not feel that he was called upon to take the panic-stricken shareholders into his confidence. If he had information which might be turned to his personal profit, it could scarcely be expected that he would proclaim it from the housetops. It was therefore not surprising that though his hand was not seen, yet all the Hudson's Bay stock that came on the markets was readily purchased by his agents. Not a proffered share was missed, though not a hint of the coup leaked out. The shares were bought at from £9 to £12. By 1911 they were quoted on the London Stock Exchange at £130. Between 1872 and 1911 the entire capital stock of the company was repaid to the shareholders six times over in the form of special bonuses in addition to the ordinary dividends!

There were very many of limited means who learned, when it was too late, the great value of what they had parted with. Donald A. Smith, before the panic in the market had subsided, was enabled to realize the dream of a lifetime. He was in actual control of the Company. No longer a subordinate, he could appoint the members of the London Directorate himself, could appoint the officers of the Company, could control its policy—and, he could pay off some old scores in the West! But more important than all these considerations, he would be the chief beneficiary in the enormous profits which the Company was bound

to make. Once, in conversation with me on the subject of his large holdings in the Hudson's Bay Company, Lord Strathcona said it was the proudest moment of his life when he knew he had secured the majority of the shares. The possibility had always seemed so absolutely remote that he could scarcely realize the accomplished fact.

IX

NEW OWNER STRIKES TROUBLE

For Canada, however, buying out the Company did not necessarily ensure peaceable possession of the territory. The first intimation of the intention of the government to assume control in the North-West was coincident with an outbreak of rebellion of the half-breeds, under the leadership of Louis Riel. Riel had been an apt pupil of the teachings of the Hudson's Bay Company, as to the undesirability of strange white men in the territory. For too long had the officers of the Company roused prejudices in the hearts of the Indians against outsiders. The officers themselves might be forced to alter their views on the subject, but the sudden change was a sharper corner than Riel and his followers could easily accommodate themselves to. When information reached the outside world that the Canadian government intended to take over the territory, a few enterprising and restless spirits from the Western States appeared at Fort Garry. Their presence was regarded by the Indians and the half-breeds as ominous of a flood which might soon be upon them unless the newcomers were dealt with in the most summary manner. From the Indian standpoint, the unhappy results of leniency towards such were only too evident in the Republic to the south, where the Indians were being mercilessly slaughtered, rapined, and robbed out of their ancient heritage. The fears so carefully instilled by the Company into the Indian

mind for generations became intensified. These fears, more than anything else, were behind the rebellion. The rebellion was the outcome of the position taken by the Company to avert possible competition.

The leader, Louis Riel, was an educated half-breed, whom the Church had hoped to capture for the priesthood, but had failed. He preferred to be recognized as an Indian rather than as a half-breed. All his sympathies were with the Indians. Everything that might prejudicially affect the Indians was taken to be a matter personal to himself. During the absence of the local Governor of the Company, Riel and his followers got out of control. Suggestions were made later that certain officers of the Company had encouraged him; at any rate Riel procured all his arms and ammunition from the stores of the Company. Encouraged by the fact that there was no authority other than his own, Riel caused the arrest of some of those opposed to him, for the course he was taking in forming a Provisional government. One Thomas Scott incurred Riel's personal displeasure, although he had not been particularly offensive to the half-breeds. He was given summary trial by Riel, was sentenced to death and secretly buried. Those who took part in the grim tragedy permitted no ceremony to sanctify the grave. The spot was not marked, nor was it ever known; though many years afterwards, when Winnipeg was expanding into a great city, the solitary skeleton of a man was found where some labourers were excavating for the foundations of a warehouse. The murder of Scott seemed to rouse the dormant Indian passions. A general massacre of the whites was feared. For protection they took refuge within the Company's fort, and preparations were made for attack, which fortunately did not take place. When the news of Scott's

fate reached eastern Canada the whole country became infuriated.

In the meantime, before the seriousness of the events taking place at Fort Garry was realized, the authorities at Ottawa were preparing to deal with the administration of the new territory. A member of the Cabinet, Hon. William Macdougall, an exceedingly able administrator was appointed to be Lieut.-Governor. He and his staff proceeded through the United States by rail, and then by overland stages to the Canadian border where he was faced with Louis Riel's government as an accomplished fact, and threatened with Scott's fate if the party entered the country. Macdougall had no military force behind him, and was compelled to retrace his steps to eastern Canada. When he arrived in Ottawa, the amazing discovery was made that the Governor-General's Proclamation annexing the Hudson's Bay territory to the Dominion of Canada had never been published. No wonder Riel had refused to admit Macdougall! The latter had no standing and the position to which he had been appointed did not in fact exist. Macdougall resumed his seat in Parliament on the Opposition side of the House, from whence he indignantly demanded explanations from the government.

Nemesis had followed the policy which the Hudson's Bay Company had determinedly carried out in regard to the presence of unauthorized white men in the territory. With the general condemnation of Riel, there were many who palliated his offence, and put the greater blame on the Hudson's Bay officials for making no attempt to allay the fears that they themselves had fostered as to the true nature of the new administration. Even in certain official circles it was held that Riel

was not altogether at fault and that his offence was not too great to be pardoned.

But from the point of view of Ottawa it was absolutely necessary that a military expedition should be sent to Fort Garry to reduce the newly-acquired possession to order. Preparations were set on foot that the expedition might reach the seat of the trouble as early as possible. Fortunately, an experienced officer was available for the command of the force. Col. Wolseley (later Lord Wolseley) was at this time in Canada as Adjutant-General of the Militia. The Governor-General wanted a high officer from England sent out, but Sir George Cartier, as Minister of Militia, insisted upon Col. Wolseley's appointment. It was a fortunate one. Accompanying him were two English officers destined to great futures—Lieut. Butler, afterwards Sir William Butler, and Lieut. Buller, afterwards Sir Redvers Buller.

The news from the West caused great anxiety to the public, which chafed at the delay unavoidable ere the preparations for a campaign so unexpected could be completed. In the early weeks of the trouble the proposal was made that the military force might be allowed to pass through the United States, as by this means the objective point could be reached much more expeditiously than by the long overland route through forest and lake in Canada. This was found to be impracticable. The expedition could only be permitted to go through the United States as a body of private citizens; and arms and ammunition as ordinary freight. Difficulties were encountered that could not be overcome. The ill-feeling in the United States against Great Britain over the Trent affair had not then subsided. The administration of Washington could not afford to risk offending the Irish. The

Fenian organization in the Republic was active, and there had already been two filibustering expeditions over the border which left very aggravating memories, and it was rumoured that Fenian leaders were even then on their way to the West to join Louis Riel.

Under these circumstances there was nothing to do but for the expedition to make its passage entirely through Canadian territory. This necessitated a journey of nearly four hundred miles to Sault Ste. Marie by the Great Lakes. The expedition had to take ship again at the western end of the river and sail four hundred miles to Fort William, where the real difficulties commenced. A military road had to be built, through nearly six hundred miles of virgin forest, over mountain and river. This was the task for which Col. Garnet Wolseley assumed responsibility and carried out in a way worthy of the best traditions of the British army.

While the expedition was slowly making its way through forest and river, everything possible was being done to have the trouble at Fort Garry terminate peaceably. The Roman Catholic Church held Riel in check to a certain extent; though he had formed his government and was in possession of the territory to all intents and purposes. Beyond the murder of Scott no overt act had been committed, but the few other English settlers did not know how soon they might share his fate. The venerable Archbishop of St. Boniface, then on an official visit to Rome, was cabled to return to Canada, in order to assist in persuading Riel and his followers to acknowledge the government. Protestant missionaries, too, hurried to Fort Garry to use their influence with the Indians under their ministrations, in fear lest they also should make their way to the storm centre. Donald A.

Smith, in the East, hurried off by rail to the terminus of the United States system, thence by horses through the Western States, to Fort Garry, where he arrived long before the military expedition under Col. Wolseley could possibly put in an appearance.

He reached the Stone Fort at Selkirk late at night. Riel heard of it and immediately went down-river to see him. The attendant at the Fort refused to allow him in, saying that Mr. Smith had retired for the night. Riel insisted on an interview; the attendant went to enquire whether he could be received, and Riel followed him quickly, and entered the bedroom unannounced. It would be interesting to know just what took place at that interview. Riel, who had been indulging in all the airs of a conqueror for weeks, and lording it over everyone in the settlement, left the room cowed and beaten, and slunk from the Fort like a furtive animal. In those few moments Donald A. opened Riel's eyes. But official negotiations with him followed, in the course of which the Roman Catholic clergy rendered great assistance. Certain promises were made to him and his followers which had a most disturbing effect afterwards in Canadian politics, and in regard to which Donald A. Smith, and the clergy, seemed to have most strangely contradictory recollections. Lord Strathcona regarded with a good deal of uneasiness the oft-repeated insinuation as to the complicity of the Hudson's Bay Company and his own colleagues in this unfortunate rebellion. On one occasion, a matter of public knowledge during the lifetime of the late Archbishop Taché, he visited Winnipeg to try to get the consent of that great leader of his Church to a statement that the officials of the Hudson's Bay Company were absolutely free from blame in the Riel episode. The venerable Archbishop quietly

intimated that if Lord Strathcona made any such statement, documents would be produced by the Church which would settle the question for all time in a way that would create a sensation throughout Canada. Consequently, negotiations with the Archbishop came to a somewhat hurried termination. It is now no longer a secret that the archives of the Archbishop's palace at St. Boniface contain documents bearing on this subject, and it is equally well known that among the papers left by the late Governor McTavish (of the Hudson's Bay Company) there is interesting information confirmatory of the Arch-Episcopal documents. The late Archbishop is credited with saying that he would not allow anything to be made public during the lifetime of any of the three who had been active participants in this piece of Canadian history, unless he was forced to do so.

At any rate, Riel was persuaded to see the error of his ways. He was paid $5,000 (£1,000) by Donald A. Smith under confidential instructions by Sir John A. Macdonald. He then left the scene of the rebellion to live in the United States until the promises of an amnesty made to him should be fulfilled. Donald A. Smith received Her Majesty's Medal for assisting to suppress that rebellion with which undefined and vague, but very suggestive, rumour credited the officials of the Hudson's Bay Company with having something to do, and in which he himself was not altogether free from blame.

When the military expedition under Colonel Wolseley arrived at Fort Garry, the rebellion was at an end; but it was considered advisable for the Force to remain there during the winter. Beyond the commissariat which accompanied the expedition, the main source of supply for the requirements of the troops

was the Hudson's Bay Company stores. In fact, up to that time, there had been no competition against the Company in the way of buying or selling throughout that vast territory.

With the presence of the military came a rude awakening, which the officers of the Company seemed scarcely able to comprehend. From the Western States a young soldier of fortune had wandered to Fort Garry, drawn thither by the reports that the government of Canada had taken over the territory. He had reached there about the same time as Thomas Scott and his escape from Scott's fate had hung on little more than a gamble. It was a question with Riel whether Scott or Ashdown should be arrested, and Ashdown's release is said to have been decided on the drawing of two straws. Soon afterwards John Ashdown is found in sharp business competition with the Hudson's Bay Company.

Certain heating apparatus had been sent from the East for the Force, but with a want of method not by any means peculiar to this expedition, it was lacking in a most necessary attachment. This omission necessitated a formal notice, asking for tenders for stovepipes. The Hudson's Bay Company sent in a tender. So also did John Ashdown, the latter quoting a much lower figure than the former. The Company had not much trouble in convincing the authorities that the newcomer was not in a position to do the work, and the contract was given to the Company. They, however, had no tinsmith in their employ, and wanted to engage the services of the practical tenderer. He declined to work for them, when he learned that the price for which they had secured the contract was far in excess of his own modest figure. The Company then requested the assistance of the military to force

the "culprit" to do the work. Colonel Wolseley cut the dispute short by cancelling the contract with the Company and giving it to Ashdown.

With the assistance that John Ashdown was able to secure from the troops, the contract was completed within the stipulated time. This was the first intimation to the Hudson's Bay Company that others had equal rights with them in the trade of the West. The particular interest attaching to the incident is the fact that through this contract the foundation was laid of one of the most extensive business establishments now in Western Canada. When Fort Garry became a great city, he was elected to the most prominent position in the gift of his fellow-citizens. Long before the shadows had begun to lengthen in his life, he had accumulated a large fortune by legitimate business, and to his credit it may be said he never used any public position he occupied for the purpose of advancing his personal or financial interests.

Under the terms of the agreement with the Ottawa government, when peace was declared, the half-breeds were each entitled to a goodly block of land. Their partial rights in the West were acknowledged in this form. In this way, also, it was believed all cause for the complaints fostered by the rebellion might be removed. As it was not possible to give titles until the land had been surveyed, the government issued what is known as scrip—a form of contract which was afterwards to be redeemed by the government for lands. Unfortunately for the half-breeds this scrip was negotiable. They were perfectly ignorant as to the value of it. To many of them it was only a nicely-printed piece of paper, worth, possibly, not much more than any other piece of paper. The speculator was on the qui vive. To him the Indian was always fair game

for exploitation. However, little of the scrip had reached the speculator's possession before a shrewd man of business within the walls of Fort Garry and the Lower Fort grasped the possibilities of the possession of the government "promise to pay." When it came to a competition between the man on the spot with whom the half-breeds had been accustomed to do business, and the man outside, the latter had small chance. A well-known resident of Calgary, who was one of the chief clerks in the Government Registry Office in Manitoba in those early days, is the authority for the statement that tens of thousands of acres of these lands passed into the hands of a highly-placed official of the Company, out of which a very large fortune was afterwards realized. The early records of the Registry Office bear witness to the manner in which the guileless Indians were done out of their rights, the greater part of which were handed over for no other consideration than a blanket, a pipe, or a plug of tobacco.

X.

THE DISHONEST STEWARD—A BID FOR POWER

The session of Parliament following the general election of 1872 was deeply interesting in many ways. Party lines, which had been obliterated to a certain extent by the leaders on both sides in Upper and Lower Canada, in order to bring about Confederation, were again clearly defined.

The Independents could be counted on the fingers of one hand. The most notable of these were Richard Cartwright and Donald A. Smith, the former unconsciously drifting toward the Liberal Party; the latter, playing his own game. Upon the Treasury benches was again a brilliant array of talent. This was the scene that the writer, then scarcely out of his teens, surveyed from the public gallery. During the six sessions which had already been held at Ottawa, friendly door-keepers of the House had always reserved "a special seat for the lad," so that I seemed to have as much right there as members. There was no senator or member whose name I did not know, nor in whom I did not take a personal interest. I wanted to be the first in the gallery, and was often the last to leave it. I had been a witness to the hearty welcome by a unanimous House when Donald A. Smith had been introduced to the Speaker—a striking figure, now grown more accustomed to his surroundings and wearing a grey top-hat, only removed in order to conform to the rules of the House.

The early days of the session passed without any intimation of the bomb so soon to explode. No hint

of trouble disturbed the occupants of the Treasury benches, until one day the Hon. Lucius Seth Huntingdon, member for Shefford, gave notice of a resolution to enquire into alleged corrupt relations between the government and Sir Hugh Allen, in connection with the charter for the construction of the Canadian Pacific railway, and charging Sir Hugh with the payment of money to members of the government. The publication of this resolution startled Canada from one end to the other. People waited for the day when it was due to come up before the House. When that day arrived, the corridors of the Parliament building were filled to suffocation, long before the hour for opening the public gallery. Finally, proceedings commenced. The Speaker's voice was heard in calm unruffled tones announcing the "Orders of the Day," including the one which had excited such intense interest. Huntingdon, formerly an American citizen, had been a figure in Canadian politics since 1861. Of singularly commanding appearance, confident and dignified in manner, he read his resolution without a word of explanation and formally moved its adoption. When he sat down a deathly silence prevailed. All eyes were turned to the Prime Minister. He played rather nervously with a pencil. Only the solemn ticking of the clock over the Speaker's chair was heard.

Then the serene impersonal voice of the Speaker:

"Is the House ready for the question?"

Eager voices all over the House:

"Question, Question."

Voting proceeded. Again the Speaker, calm and unmoved:

"I declare the motion lost."

In spite of an outward semblance of order, the feel of a hurricane was in the air. Members and visitors

began to drift away, uneasily. The atmosphere was weighted with lead—and the House adjourned.

The following day, immediately after routine, the Prime Minister gave notice of a resolution, largely on the line of Huntingdon's, stating that this had been his intention from the moment of Huntingdon's notice of motion; adding that he denied "in toto" the alleged wrong-doing; "neither by thought, word, or deed had the government done anything to be ashamed of . . . the honourable member would find out that he had been in error," but he (Sir John A.) would not wish to say that the honourable gentleman did not think he had ground for making the charges; though "he had deeply wronged the government" he (the speaker) "gave the honourable gentleman the credit of believing that he thought the charges were true."

The House then appointed a committee, consisting of four government supporters and three members of the Opposition, with powers to investigate the charges.

When, in the usual order of routine, Huntingdon's notice of motion was brought to the attention of Lord Dufferin, the Governor-General, he was so perturbed that he cabled to Lord Kimberley, the Colonial Secretary, in apparent doubt as to what he should do, whether to dismiss the Ministers, or wait for developments.

"To Lord Kimberley, Secretary of State for the Colonies:

"This motion charges my present advisers with
" a very infamous proceeding—with no less a crime
"than that of having sold Canada's most precious
"interests to certain American speculators, with a
"view to debauching the Canadian constituencies
"with American gold as the price of their treachery."

"(Signed) Dufferin."

Shortly afterwards the Montreal *Herald* published a whole page of copies of telegrams and letters said to have passed between Sir Hugh Allan, Sir John A. Macdonald, and Cartier. The fat was now in the fire!

When the appointed Committee of Investigation met, it was explained on behalf of the government, that Cartier was then in England, and that the case could not be proceeded with until his return. Huntingdon was asked, nevertheless, to produce his evidence, and to furnish the Committee with a list of his witnesses. This he declined to do until the Committee could go on with the case. It was then proposed that the House should adjourn until August 13th, and the Committee sit during the interim. The Commons thereupon passed a Bill to this effect.

During the two months between the adjournment and the re-assembling of Parliament, public opinion was lulled by the thought that the Committee of Investigation was pursuing its appointed task. No hint was allowed to leak out, that a technical point as to the legality of the existence of the Committee would become the next move in the game.

On the morning of August 13th a rumour flew around that the Governor-General had been advised to prorogue Parliament that very afternoon. Ninety-five members drew up a hasty memorial to Lord Dufferin, protesting against prorogation. As Black Rod entered the House, summoning the members to the Senate at the command of the Governor-General, the Liberal leader rose to his feet and protested hotly against such summary dismissal of the House by the government. Nevertheless dismissal took place.

In justification of his course Lord Dufferin had cabled to the Colonial Secretary as follows:

"Lord Kimberley, London:

"I have received the most solemn assurance "from my Ministers both individually, and on the "fealty of the Crown, as my sworn advisers, that "they are entirely innocent of the charges against "them.

"(Signed) Dufferin."

The Committee of Investigation never met again.

Later, it transpired that Sir John A. had invited disallowance of the Bill which gave the Committee the power to sit during an interregnum of the House by the Imperial authority, sending the following memorandum to the Governor-General:

"The undersigned has come to the conclusion, "but not without doubt, that this Bill is not within "the competency or jurisdiction of the Canadian "Parliament; and that the attention of Her "Majesty's Government should be called to the "provision and to the doubt that exists as to its "validity.

"(Signed) John A. Macdonald."

The Bill was disallowed. Sir John had gained two victories; the one against his opponents; the other, more vital, was a gain of time.

He then appointed three judges of the High Court as a Royal Commission. Huntingdon refused to acknowledge the right of a Commission so appointed to inquire into the matter. He refused to attend, refused to bring his witnesses, and, in a letter to the Chairman, he wrote:

"I am moved by the same sense of public duty "which will constrain me at the earliest possible "moment to renew the efforts which I have been "making since April last, to bring to trial before "the Commons of Canada the men whom I have "impeached as public criminals.

("Signed) L. S. Huntingdon."

Nevertheless, the Commission proceeded with such other evidence as they could secure. Enough of the sordid story was revealed to shock the country. There is space at this point for only a few items.

Sir John A. had written Sir Hugh Allen "are you not going to assist our election fund?" To which Sir Hugh replied, asking to what extent the assistance should be. Sir John A. answered "It might amount to $100,000," and under instructions from Sir John A., Cartier wrote to Sir Hugh:

Montreal,
July 8th.

Dear Sir Hugh:

The friends of the Government will expect to be assisted with funds in the pending elections, and any amount which you or your Company shall advance for the purpose shall be recouped to you. A memorandum of immediate requirements is below.

(Signed) E. Cartier.

Memo.:

Sir J. A. Macdonald	$45,000
Sir G. Cartier	$85,000
H. Langevin	$32,600

On August 24th, Cartier wrote to J. J. C. Abbott, Sir Hugh's solicitor, asking for $25,000 for himself, and $10,000 for Sir John A. Later on there was a telegram from the latter to Sir Hugh, "I must have another ten thousand, it will be the last time of calling. Do not fail me. (Signed) J. A. Macdonald."

Evidence was also forthcoming to the effect that Sir Hugh had "loaned" Sir F. Hincks (Finance Minister) two separate sums of $10,000 and $4,000, and had presented Sir John A. with a personal loan of $4,000. Sir Hugh, as President of the Merchants Bank, had also arranged a loan of $5,000 to the

Hon. John Hilliard Cameron, a prominent member on the Conservative side of the House. Other Conservative members had taken advantage of the circumstances, and had been treated with corresponding liberality. Sir Hugh explained to his American associates, that up to November 15th he had expended in subscriptions to the government election fund $443,000 in gold.

Under the shock of the exposure, Sir John A. manifested a degree of courage worthy of a better cause, and his party united in supporting him. He had the gift of exciting loyalty and devotion in his followers, and in spite of the disgrace which covered him he was able to throw the glamour of his personality over his entire following in the House. His action was defended on the ground of the immense advantages likely to accrue to the country by the early construction of the railway. No money, apparently, had reached Sir John A. for his personal use. It had been expended in advancing the fortunes of his party. To the average Tory this was but one remove from promoting the interests of the country! Patriotism was Partyism. Sir John A. Macdonald was known never to desert a friend. His friends, therefore, could never desert him. This furnished occasion for the circulation of a *bon mot* attributed to Sir John A. "that he had little use for a follower who could only support him when he was right, even his opponents would vote with him then; but that he reserved all his appreciation for those who would stand by him when he was wrong." In this expectation Sir John A. decided that he might weather the storm.

In how far Donald A. Smith had any personal knowledge of the secret agreement between Sir Hugh Allan and Sir John A. Macdonald's government there

is no conclusive evidence. No member of the government at any rate had the slightest suspicion of his want of loyalty to Sir Hugh. Information had already reached a limited circle outside the friends of the contracting parties of the large sums contributed by American capitalists to Sir Hugh, and paid directly into Sir John's hands during the campaign. These payments were known in banking circles, and a certain amount of information had filtered through to those who were opposed to Sir Hugh's scheme. There were some who were determined to bring about the nullification of the contract. To do so, they needed proof that money had actually been paid to members of the government. It was a foregone conclusion that the correspondence must be of the most confidential character and could scarcely be elsewhere than in the personal possession of the most trusted of secretaries. Sir John's private secretary was known to be incorruptible. Not so, however, were *all* the secretaries of the head of the steamship line. One of them was discovered who was willing to betray his master. What was required was forthcoming, copies of all the correspondence, as well as many of the most important original letters and telegrams between members of the government and Sir Hugh, were produced. It was obvious that with the publication of these documents, the government, so recently elected, was doomed. Further, the exposure would render it impossible for Sir Hugh Allan ever to participate in the construction of the trans-continental railway.

But—might there be a chance for others to obtain the charter in the place of Sir Hugh?

XI

LORD DUFFERIN BECOMES UNEASY

The first two Governors-General after Confederation were quiet, unobtrusive representatives of the Crown. Both were fairly well satisfied with the accommodation provided for then at Government House. They rather refrained from pressing into the white light of public attention. But with the arrival of Lord Dufferin it became known that a new standard was to be maintained. Whatever his predecessors had done he let it be known that Vice-Regal surroundings in the Dominion were to undergo important changes. Before sailing for Canada there was little in the way of private information he had failed to extract from his predecessors concerning social affairs in Canada, and the position and status of the Governor-General. Lord Dufferin decided that hereafter the position of His Excellency should be essentially Vice-Regal. An election campaign was in progress when he arrived, and the Prime Minister was not at Quebec to welcome him. In a letter to Sir John A. Macdonald he made it quite clear that he had high conceptions of the office he had been called upon to fill. The government must have residences prepared for him at Toronto, Halifax and Quebec, as well as extensive improvements at Rideau Hall. The Imperialistic education "of my people in the Dominion" could only be achieved by the surroundings of Her Majesty's representative being made very impressive. He was happy in the thought

that his First Minister was "of such outstanding ability and nobleness of purpose."

Sir John A., in expressing his views about the new Governor-General in a letter to a friend, wrote:

> "He is rather too gushing to my taste. I can stand a good deal of flattery, but he lays it on too thick."

Dufferin was after the public purse, and he evidently resorted to "blarney" to loosen the strings.

His Excellency was also determined that there should be only one outstanding representative of the Crown in the Dominion. Up to this time each Lieutenant-Governor had rejoiced in being entitled to the designation of "His Excellency." Dufferin immediately directed the attention of the Prime Minister to the necessity of curbing this official presumption of Lieutenant-Governors. There "can be but one 'His Excellency' in the Dominion. 'His Honour' is the proper designation of a Lieutenant-Governor." And an order to this effect was issued by the Governor-General. His Excellency also took exception to Lieutenant-Governors being escorted or received with military honours. This raised a kick. One occupant of a Provincial Government House facetiously enquired whether the Provincial Governors "would be allowed to play in Dufferin's back yard." Sir John A. persuaded His Excellency not to come into close conflict with "the democracy" of the day, amusing itself with gold lace and feathers, and the storm blew over.

With the development of the Canadian Pacific scandal the impression formed in certain circles that His Excellency was unduly sympathetic with the Prime Minister. Certainly their relations were very cordial. Correspondence subsequently coming to light fully establishes this relationship. Sir John A. evidently

went a long way to meet Lord Dufferin's requests for additional expenditures at Government House, and further grants to cover travelling expenses. The following correspondence gives light on their intimacy:

"The Citadel, Quebec,
September 30th, 1873.

"Private.

"My dear Sir John:

"You half promised to arrange some little "closet for me in the House of Commons from "whence I could hear what was going on. I hope "you will see your way to gratify my wishes in this "respect. Considering how untrustworthy are the "newspaper reports, it is a matter of some import- "ance that I should be able with my own ears "to hear what passes.

"Yours sincerely,
"(Signed) Dufferin.

"To the Right Hon.
Sir John Macdonald, K.C.B.,
Ottawa."

Sir John A. found himself in a delightful hole! His explanation to His Excellency's secretary that he hoped to carry the Address in the House, and if he was successful in carrying the House the Opposition would be furious, was offered as a partial excuse for not carrying out his promise. Again, he said, some traitor might reveal His Excellency's presence, and the Grand Remonstrance against the Crown for taking cognizance of the proceedings in the House might be quoted. The Opposition would be ready to wreck their vengeance on everybody and everything. The Crown might be insulted and brought into contempt! In a note to the Governor-General, Sir John A. wrote:

"I do not suppose the Opposition leaders would " use any unsavory phrases, but there are several "truculent blackguards in the House—annexa-

"tionists and the like—who would like nothing "better than snubbing the Sovereign. . . . I "would advise you to forego the advantage which "a hearing of the debate would be to you."

The little box was never built, and Lord Dufferin was prevented from flying in the face of the Constitution.

Sir John A.'s note to Lord Dufferin is inexcusable—unworthy in every respect from one in his high position. In the first place, he knew every line of it to be untrue. There was not an annexationist on the Liberal side of the House of Commons, nor was there a "blackguard."

The Prime Minister, in order to curry favour with the Governor-General, had put himself in an untenable position, and rather than courageously admitting his own error in an ill-considered acquiescence to His Excellency's mad request, he endeavoured to frighten Lord Dufferin with a bogey by slandering and scandalously vilifying his political opponents. This revelation of Sir John A.'s inner unscrupulous methods makes the episode one of peculiar significance.

Up to within a fortnight or so of the date at which the Report of the Royal Commission on the Pacific Scandal Enquiry would be submitted to Parliament, it is fairly evident that Sir John A. retained in a large degree the confidence of the Governor-General. But His Excellency having read the newspaper reports of the evidence given before the Royal Commission in the matter of Sir Hugh Allan's contributions to the government election funds, and in respect to the money which had been given to Sir John A., wrote on the 19th of October, 1873, with his own hand to the Prime Minister:

"My dear Sir John:

"It is with greater pain than I ever did anything "in my life, that I now sit down and write to you,

"but I feel it is but justice you should know the "conclusions to which, I fear, I am being forced by "a most anxious study of the evidence adduced "before the Commission. . . . However deeply I "may sympathise with you in your difficulties, "difficulties into which you have been drawn in a "great measure by circumstances beyond your "control, I shall be bound to sacrifice my personal "inclinations to what may become my duty to "my Sovereign and this country.

" . . . It is still an indisputable and patent "fact that you and some of your colleagues have "been the channels through which extravagant "sums of money—derived from a person with "whom you were negotiating on the part of the "Dominion—were distributed throughout the con- "stituencies of Ontario and Quebec, and have been "applied to purposes forbidden by the statutes.

". . . As Minister of Justice, and the official "guardian and protector of the laws, your responsi- "bilities are exceptional, and your immediate and "personal connection with what has occurred, "cannot but fatally affect your position as a "Minister.

". . . I do not say that the conclusions I have "thus shadowed forth are actually formed within "my mind, but I feel it is but fair to let you know "the tendency of my thoughts at the present "moment.

"I shall be in my office at 12.30 to-morrow. "Until then, pray keep this letter strictly secret.

"Yours sincerely,

"Dufferin."

There is no record of this momentous interview. Up to that hour there could have been little idea in the mind of Sir John A. that His Excellency had weakened in his confidence to his Minister. Haply Sir John A. preserved all his natural sangfroid upon entering the Governor-General's office that morning.

But he failed to grasp the psychology of the moment. Lord Dufferin had evidently passed the point where he could "be set right." To argue the question was only to confirm him in the drift of his opinion. Had Sir John A. shown his usual astuteness, he would have accepted the inevitable and handed His Excellency his resignation. If he had done so, much that was discreditable would never have been put on official record, and the Parliamentary history of Canada need not be defaced by its darkest and most disgraceful pages.

It is doubtful just what were the relations between Hon. Alexander Mackenzie when he was Prime Minister and Lord Dufferin. The impression at the time was that they were none too cordial. The unbending old Scotchman was not likely to open the public purse strings in response to His Excellency's "blarney," although Mackenzie made many improvements at Government House with a view of making it more comfortable.

Mr. T. C. Patteson, Managing-Director of the *Mail* newspaper, wrote to Sir John A. as early as February, 1874, shortly after Mackenzie took office:—

> "I dined alone with Lord and Lady Dufferin at Montreal, and the whole bent of their minds is to stay in Canada long enough to see a change. To be of any service to us, this must be a secret bent, but the fear is that it may receive some outward and visible colouring from the gossip of the A.D.C.'s. I was frightened at some things they said."

A curious commentary is possible in Lord Dufferin's position as Governor-General if the story told by Mr. Patteson is true. And yet it bears out the rumours that were current in inner political circles during the whole of the Mackenzie regime.

It was Dufferin's failing that he had little or no sense of the value of money. He did not like receiving his salary by official cheques, as being rather undignified. So arrangements were made that he should draw cheques to the amount of his salary on the Bank of Montreal. The story was current in high official circles in Ottawa that between the time when Mackenzie went out of office and Sir John A. assumed power, Dufferin's account was heavily overdrawn in the Bank, so that it required some figuring and co-operation between the outgoing and incoming Prime Ministers to get the situation untangled. This had to be done without the public becoming wise to what was taking place.

XII

FOUND OUT

Parliament was re-opened with the usual extravagance of formality on October 23rd, 1873. The Senate Chamber was crowded with the elite and fashion of the day, waiting for the entrance of the Vice-Regal party. Lady Dufferin, in the height of her matronly beauty, resplendent with jewels, preceded His Excellency—the booming of the guns announced the coming of the Governor-General, who ascended the dais and was immediately surrounded by the Prime Minister and his colleagues. Black Rod made his usual obeisance and departed to summon the faithful Commons.

On the floor of the Second Chamber a singular scene was being enacted. The occasion was lacking in the usual social amenities, there being none of the mutual greetings usual amongst both friends and adversaries, but on all sides a grim earnestness. There was no truce, and no quarter was to be given. What a contrast from less than a year ago! Then the Tories had swept the country in victory, with five years of political power in sight. They had laughed to scorn the broken Opposition; now they waited, scowling, for the lash to fall. Opposite were Alexander Mackenzie, Edward Blake, L. H. Holton, Aimee Dorion and Lucius Seth Huntingdon ready for the fray, perhaps wondering, too, whether in that new House there might be five or ten "just men," strong enough to break old party ties and uphold the honour and dignity of Parliament, even though they might disgrace one

whose name must ever have a prominent place in the early history of the Confederation. It was war, war to the knife, and deadly wounds in personal relations that time would never heal.

There had been no such public interest up to this time in the proceedings of Parliament. The public galleries were full to capacity shortly after opening the doors. For hours before, the corridors leading to the galleries were crowded to suffocation. The ordinary rules governing the admission of the public were not enforced. The only concern of the police seemed to be to preserve order. It required not a little assurance at first to quietly walk into the Chamber at the back of the last row of members' seats, or beside the Speaker's Chair. But as the interest deepened almost anything was permissible. The Speaker's gallery was especially reserved for distinguished visitors. Nearly the whole of the front row was occupied, night after night, by Lady Dufferin and the staff from Government House, the only other occupant being the wife of the Prime Minister.

The public documents brought down to the House revealed the personality of His Excellency, Lord Dufferin, written large in his voluminous correspondence with the Colonial Office on the question at issue. Everyone knew of the intense interest taken by the Governor-General in the proceedings of the House. It was, therefore, not surprising that rumours were current that His Excellency was sitting in the public gallery disguised. It was generally believed that Lord Dufferin was capable of taking such a risk. How accurately the public judged the Governor-General's attitude is revealed in preceding pages.

At the beginning of a session a certain routine had to be observed. There was no unseemly haste. The

debate on the Speech from the Throne took the usual leisurely course; documents relating to the great question (the Scandal) were laid on the Table, including correspondence on the all-important topic between the Governor-General and the Imperial authorities. Then came the motion of Want of Confidence, charging the government with bartering the railway charter for subscriptions from Sir Hugh Allan which had been paid direct to members of the government. Huntingdon's arraignment of the Prime Minister and certain of his colleagues was dignified and a model of moderation, really worthy of the momentous occasion. He presented the indisputable facts. The documents could not be explained away. Sir Hugh Allan had accepted American gold with which to liquidate the contributions that had been levied upon him by the Prime Minister and his colleagues, in consideration of the grant of the Canadian Pacific Railway charter.

Sir John A. Macdonald's defence let loose all the pent-up party passions on both sides of the House. He launched savage invective at Huntingdon, charging him with ulterior motives, accusing him of a desire to kill the charter—and the government afterwards! To accuse anyone of killing the charter was tantamount to accusing a man of wishing to murder his country, so bound up were the feelings and hopes of the whole country with the possibilities of the road which was to weld the east and far west into one land.

Sir John A. declared that Yankee gold had been sent into Huntingdon's constituency to secure his election. Huntingdon interrupted with warmth:

> "The statement made by the honourable "gentleman a moment ago that I have been influ- "enced by foreign gold, and that foreign gold has "been used in my election is utterly unfounded,

"false in every particular, foully false, and I "challenge the honourable gentleman to appoint "a committee to investigate his suggestion."

Sir John A. continued to pile on the agony with the able general's instinctive feeling that "attack is the best defence," by abuse:

"The Opposition has spies and thieves and men "of espionage, who could pick your lock and steal "your notebook. If I had all these I might be as "strong as honourable gentleman opposite. They "make stealing a virtue."

He denied that the interests of Canada had been sacrificed for election purposes. It was not an occasion for unbiased judgment (Heaven forbid!). Sir John A. made it an occasion for the exercise of all those magnetic forces of his personality. He turned to his supporters with fervent emotion, the while they leaned forward in order not to miss a word:

"Whether this House is for or against me, I will "say—it is no vain boast, even my enemies will not "accuse me of being a boaster—I will say that "there does not exist in Canada a man who has "given more of his time, more of his heart, more of "his wealth, more of his intellect, more of his power "such as it might be, for the good of the Dominion "of Canada."

He carried his supporters off their feet. As he resumed his seat they arose as one man. Again and again they cheered as if they thought this appeal from their chieftain must end the debate. Yet, before they were done, Edward Blake had risen. This was the signal for the Opposition. While the echo of the government cheers yet sounded in their ears, the Liberals gave vent to their enthusiasm, confident in what was coming.

With cool analytical skill, calm and unimpassioned, Blake placed the government on the dissecting-table,

and from the head, the Prime Minister, who had accepted tens of thousands of American dollars, to the heel, Sir Francis Hincks, who had been satisfied with a personal "loan," he exposed every shred of evidence that had been presented to an unwilling Royal Commission. Replying to Sir John A.'s statement on the hustings at St. Mary's in August, 1872, that "not a member of the government had been given or promised a farthing on account of the Pacific Railway contract," Blake reminded the Prime Minister that he had been the personal recipient of $35,000 at that very time! How could such conflicting facts be reconciled? How was Sir John A. to reconcile this with the solemn assurance he had given the Governor-General that no member of the government had received any money from Sir Hugh Allan? In conclusion Blake said:

> ". . . I believe that this night or to-morrow night will be the end of wholesale corruption in the public life of this country. This night or to-morrow night will see the dawn of a brighter and better day in the administration of the affairs of this Dominion. . . . The battle is between purity and corruption. I shall never claim that all the gentlemen, under a mistaken notion of fidelity to a party leader, who are about to vote against us, are corrupt. . . . but I desire that those of us who are professing these views to-night shall be judged by them for all time to come. . . . The positions we have taken, the attitude we have assumed, the ground upon which we stand, will be held to be the only sound and true ground. We have set up again the standard of public virtue. We cannot, even by the purgation we are about to effect, wipe away in other eyes and amongst other people, altogether, the stain, the shame and disgrace which has fallen on our fair land. . . . I have no feelings of joy or congratulation at this result. I do not understand the morality which will permit a crime unseen, but is deeply

> shocked and alarmed for the credit of the country should the crime become known. Let our transactions be open, and as the shame exists, as it has been discovered, as it has been conclusively established, as it has been confirmed, let us by our vote, regretfully it may be, give the perpetrators their just reward."

Richard Cartwright's moderation in discussing the subject was rather surprising, save from the standpoint of the strain he had gone through in breaking with his old political associates. He admitted that he could come to no other conclusion, whatever, than that the leader of the government had been guilty of a high crime, and deserved the censure of the House, and continued:

> "I acknowledge that Parliament does not contain one who in his own personal capacity, but in that capacity alone, we are sorry to say, who is more unsordid and unmercenary than the right honourable gentleman, and although his good qualities had been marred and spoiled by conduct which I deplore, yet in the estimation of all, he has rendered good service to his country, and I do not want this to be forgotten."

The guilt of the first Minister in trafficking with the sale of the Canadian Pacific charter was proved beyond question. Outside of Parliament it was not believed that the Governor-General could possibly overlook such reprehensible conduct on the part of his Ministers, or permit it to pass without notice. Yet, in the Commons, though the two parties were not unevenly divided, the government had a working majority, and there was a possibility that their opponents might not profit by the exposure. It became evident to the Liberals that unless the Governor-General took very drastic action, nothing short of an unexpected turn of events would bring about the defeat of Sir John's administration.

XIII.

THE NIGGER IN THE WOODPILE

The unexpected *was* to happen! During the months when the whole country was seething with excitement, there had been no hint that Donald A. (as the Resident-Governor of the Hudson's Bay Company was familiarly called) was not loyal to his leader, or, that he was watching events with an ulterior object in view—only long afterwards was it remembered that he had shown no surprise when the damning documents had been produced. As the debate on the motion of Want of Confidence in the government was continued from day to day, his seat was seldom vacant. The Premier, apparently, became anxious as to Donald A. Smith's party loyalty in the crisis. Sir John A., of course, dared not attempt the coercion of one of Donald A. Smith's calibre, but he cabled Sir John Rose (ex-Finance Minister) to enlist the co-operation of the directors of the Hudson's Bay Company in bringing Donald A. into line; not dreaming that the latter had already secured a controlling influence in the company. As time went on the enquiry became vital, "What is Donald A. going to do?" Sir John A. had two or three interviews with him. What took place at these conferences led to very bitter words afterwards. Sir John A. claimed that Donald A. had consented to support the government. The latter denied it absolutely. Only one member of the House knew what Donald A. Smith was going to do. Only two or three in the whole country had any conception of the interest he had in the confidential documents which were

hanging like a millstone around the necks of the Ministers. Outside of these, no one dreamed that Donald A. had plans of his own, which would have a vital bearing on the future of Canada.

Amidst doubts and fears the debate dragged on to its crisis. On November 5th, 1873, a clear starry autumn night, the large galleries of the House were crowded to suffocation, not even standing-room being available. Public feeling was tense—the order usual was lacking. An uninvited public pressed their way into the four entrances of the Chamber, even collecting eagerly about the Speaker's Chair. They crowded against the walls on the floor of the House behind the members' chairs, some even venturing to sit on the arms of the chairs. Neither members nor officials seemed to care, or troubled to interfere.

The last word had apparently been spoken. The clear voice of the Speaker, slightly tremulous, was heard, "Are the members ready for the question?" Before the last syllable left his lips, Donald A. Smith arose amidst an intense and strained stillness—a face over which the lights and shadows seemed to flit, a figure sombrely attractive at the moment, though lacking the air of professional dignity obvious in many by whom he was surrounded; heavily-bearded, with bushy eyebrows, and thick sandy-red hair, he had an unusually well-preserved appearance, though bearing but little resemblance to the dignified octogenarian with whom the present generation became so well acquainted thirty years later. His hearers fully realized the fate depending upon his words. If he stood by the government they were safe, or at least the crisis might be postponed. If not, it meant the crushing out of Sir John A. Macdonald's hope that he and his party could weather the storm.

Donald A. began in a hesitating and doubtful manner. He was never an attractive platform speaker but belonged to the class who are sympathetically listened to. About his speaking was always an earnestness that overshadowed mere rhetoric. As he proceeded every eye in the House was turned towards him and every ear strained to catch his lightest word. He expressed his regret that it had been found necessary to establish a case against the Government, by the aid of the confidential documents which had undoubtedly been purloined from the possession of Sir Hugh Allan. He thought that the sanctity of private correspondence should never have been violated, and that nothing could justify a third party in so doing.

The report of this speech in the press gives a better idea of the situation than any commentary could possibly convey to the reader:

> Donald A. Smith explained his position with reference to the Canadian Pacific Railway Company, and said that he had taken the ground that all the directors should be British subjects, and that no director should have more than one proxy. With respect to the transaction between the government and Sir Hugh Allan, he did not consider that the First Minister took the money with any corrupt motive (ministerial cheers). He knew that Sir Hugh Allan at one time looked so coldly upon the railway enterprise that he really thought of giving up the charter. Sir Hugh told him that if the proposition made was carried out, he would not accept it. In every instance that he knew of the provisions were more and more stringent when against Sir Hugh Allan (government cheers). He felt that the leader of the government was incapable of taking money from Sir Hugh Allan for corrupt purposes.

During the loud and long continuous cheering, the Tories waited for no more, smiles illumined their faces,

they shook hands with one another. The Opposition was grimly silent. The Tory Whip excitedly whispered to those behind him to repair to the restaurant of the House, where he was quickly followed by a score or more of members, defiantly sneering at the front Opposition benches as they passed. At the restaurant they filled their glasses "To the health of Donald A." For a few minutes the faint echoes of an enthusiastic crowd engaged in opening champagne bottles, mingled with strains of "Rule Britannia" and "God Save the Queen", reached the Chamber.

The Canadian House of Commons has a weakness for exhibitions of excessive loyalty in time of political excitement. A party vote is taken to signify that "Britons never shall be slaves," and a victory on an important question finds expression in the National Anthem. The connection between a prayer that God may save the King, and the question at issue between the political parties, is not always very clear. But, by exuberance of this nature, a strain may be removed and the way made smoother. Like charity, these outbursts of loyalty offer a cloak for many offences.

While the Tory interest in the proceedings was finding expression in the restaurant, Donald A. continued his speech. His tone suddenly changed. It ceased to be mildly condemnatory. There came an indication of harshness. And then he reached a phrase which began with "But"—it was evident that he was preparing to "hedge":

> "He assured the House that he was most willing to vote for the amendment of the honourable member for Pictou (the government amendment to Mr. Blake's motion of condemnation) (loud government cheers again) could he do so conscientiously. (Opposition cheers and uproar). It was with very great regret that he felt he could not

> do so. He repeated that he did not feel there was any intention of giving the charter to Sir Hugh Allan as a consideration for his money, but, on the other hand, to take money from an expectant contractor was a very grave impropriety (cheers). For the honour of the country, no government should exist that has the shadow of a suspicion of this kind resting on them, and for that reason he could not vote for the amendment of the honourable member for Pictou."

This set the Liberals applauding. Suddenly the cheerful noise from the "loyalists" outside ceased! A messenger had reached the restaurant with the alarming intelligence: "Donald A. has gone over to the Grits"—a favourite term of derision then applied to the Liberals. There was a hurried return to the House, glasses of champagne being left behind untasted. The dismay of the returning party, who had left so joyously a few minutes previously, covered them as with a garment!

In the manner of one whose gift is not oratory but who is thoroughly in earnest, Donald A. proceeded to moralize on the heinous offence of bartering a public charter for political profit. "The Canadian Parliament should be kept as pure and clean as the Imperial Parliament. Private interests should never be allowed a place in the Legislative Chamber of the Dominion. . . ." With much more of like import he went on repeating exactly what the leaders of the Liberal Party, Mackenzie, Blake, Cartwright, Dorion, Holton, Huntingdon, Jones and many others, as voices crying in the wilderness, had been saying for days. His words, in his strong native accent, and his earnestness and sincerity, fell like a sledgehammer on the hopes of the Tories.

He was followed by an ardent government supporter, hoping in vain that the tide might be stemmed, but there was now a feeling in the air that all further talk was useless. When the Premier moved the adjournment of the House in the early hours of the morning, no vote having been taken, it was well known that the resignation of the First Ministry under Confederation would be in the hands of the Governor-General before the sunset of another day.

The picture drawn by the unbridled imagination of contributors to British periodicals of the time, of a wild tumult in the House of Commons, with Sir John A. Macdonald crossing the floor of the House to strike Donald A. Smith, is without foundation in fact. Actually, the final scene was worthy of the best traditions of Parliament. As the Speaker repeated the usual formula, "This House stands adjourned until to-morrow at three o'clock," there was merely a slight tremor in his voice. The Prime Minister arose quietly and retired by the exit behind the Speaker's Chair. In all his career he never acted with more dignity than when he accepted the verdict with apparent calmness, not even challenging a division in the House. I stood beside the Speaker's Chair, and am among the few now living who were present on that memorable occasion.

History had been made since the members gathered together in that evening session. A pall of silence hung over the Chamber. The rhetorical thunders of a week had suddenly given place to a great calm. The leaders of the Opposition sat quietly at their desks, while here and there little knots of members conversed in undertones. There were feelings of pent-up exaltation on one side. There was a seething resentment on the other.

Canadian Toryism of to-day would gladly forget the cloud under which Sir John A. Macdonald went out of office in 1873. Could the Tories at that time have foreseen that this was not the only government Donald A. would succeed in wrecking, they would have had some cause for consolation. They might have been less bitter in their judgment of him had they dreamed that his new political associates would have even more cause for dissatisfaction with him. The subject of their rage, however, went silently on his way. He was carving out a path for himself.

XIV.

THE NEW BROOM SWEEPING TOO CLEAN

Another General Election (1874) followed, and the Liberals had a large majority in the House of Commons. The newly elected First Minister was Alexander Mackenzie. As his name indicates, he was Scotch. A quarter of a century had elapsed since, as a young immigrant, he worked at his trade of stonemason on the fortifications then being erected at the head of the St. Lawrence river. Taking every advantage of the rapid changes incident to the development of the country, he was quickly able to improve his circumstances. Great ability, unusual force of character and the strictest integrity, soon brought him into prominence, resulting in his election to the old Parliament of Upper and Lower Canada a few years (1861) before Confederation. The first session afterwards he became leader of the Liberal Party.

Of Alexander Mackenzie's government it cannot be said that it was a success. Yet his party had been swept into power on a great wave of popular approval—an affirmation that in public as in private life "honesty is the best policy." The government that had gone down had debased public life; how profoundly this was the case had still to be realized. In any other country, the members of an administration acting as Sir John's had done would have been impeached. As individuals they should have felt disgraced. But, at this point, an historian, however much he desires to be impartial, to be fair, to make allowances and excuses for the men

who made grabs and snatches at the enormous wealth they were helping to create, can only wonder what had happened to the public life of Canada! What dry-rot had touched this people starting off so bravely? In those early legislatures were many modelling themselves, their public and private lives, their speeches and demeanour in the House, on the lofty traditions of the best in the Mother-country. Now, in 1875, the Tory Opposition under Sir John A. Macdonald's leadership, through the promptings of Charles Tupper, boldly declared that there had been no Canadian Pacific Railway scandal! The damning findings of the Royal Commission had been a slander! The whole thing was but a dream! A nightmare!

It might have been thought that the Mackenzie government would remain in power for a decade at least, so strong was its backing in the country. Yet the Cabinet began to go to pieces almost from the moment of its formation. The Prime Minister, painfully anxious that under his administration the principal spending-departments should not be implicated in the smallest improper incident, but be even as Caesar's wife, above suspicion, took over the portfolio of Public Works himself. He also wanted to know the details of administration in every other department. In these matters he wasted his time, loading himself up with trifles to the neglect of great issues. Conscientiousness cannot avail a government under such circumstances.

Governments might come or go; but the Pacific railway had now become the central point in Canadian politics. British Columbia had entered the Confederation with the proviso that the railway should be completed within ten years. The Province was clamouring for some sign that the promise would be carried

out, but the new government was determined that it should not be forced into the declaration of a policy without most careful consideration. Though in certain circles it was still insisted upon that the work must be handed over to a company to construct, the Cabinet avoided a definite pronouncement, except by intimating that an exhaustive survey of possible routes would be vigorously prosecuted. Finally, the Prime Minister announced the date when the intentions of the Cabinet would be made public on the occasion of the annual statement of the progress of the surveys. There was a full attendance of members and the public galleries were crowded, an indication of how supremely important the question was considered. With great earnestness the Prime Minister declared that the policy of his government would be to construct and maintain the railway as a national enterprise, and would proceed with the work as quickly as the resources of the country would permit. This announcement was received with loud and hearty applause on both sides of the House, and there were enthusiastic echoes all over the country, excepting in British Columbia.

Cartwright and Blake were more alive than the Premier to the difficulties and dangers of the situation. British Columbians feared that the Premier's words "as quickly as the resources of the country would allow" indicated further delay. The Province wanted the railway at once, whether or not the finances of the country would stand the strain. The Province threatened to secede from the Confederation if the building of the railway were not expedited. J. D. Edgar, K.C., M.P., was sent by the government to pacify the disaffected. The Governor-General also visited British Columbia at the informal suggestion of Lord Carnarvon in the interests of the Imperial government, which

had been appealed to by British Columbia to urge upon the Federal administration at Ottawa the hastening of the building of the railway, in accordance with the terms upon which the Province had joined the Confederation. The Governor-General was stampeded into views inconsistent with the policy of the government. Upon his return to Ottawa, Lord Dufferin was met at the railway station and presented with an address of welcome by the Mayor and Council. In the enthusiasm of the moment he made a speech which was practically a reflection on the government policy —this, in the presence of members of the Cabinet who had come to bid him welcome after his long journey— and the phrase, "the Cabinet repudiated by the Governor-General," went through Ottawa like wildfire, and the opponents of the government could not refrain from jubilation. As he left the station, Lord Dufferin looked as if he would like to bite his tongue off!

The only verbatim report of Lord Dufferin's speech was in the hands of the ablest shorthand reporter in Ottawa, Mr. George Holland, of the *Daily Citizen*. In the course of an hour or so, after Mr. Holland had transcribed his notes, it was represented to him that it might be regarded by the Governor-General as discourteous if he were not shown a copy of the speech before publication. Mr. Holland accordingly went to Government House, had an audience with His Excellency, and gave him a copy of the speech. In the course of conversation Lord Dufferin asked Mr. Holland what system of shorthand he used, and if he had his notes in his pocket, as he (Lord Dufferin) could read shorthand fairly well. Mr. Holland had good reason to be proud of his stenographic characters, and promptly handed his notes over for Lord Dufferin's examination. After complimenting him on the

clearness of his style, which His Excellency said he could almost read, Lord Dufferin calmly pocketed both transcript and note-book, gravely told the obliging journalist that the matter was too important to be hastily settled, and then courteously invited the reporter to lunch the following day, when between them they would put the speech in order for publication. The journalist pleaded for his note-book, he was willing to wait all night for His Excellency's convenience. But his lordship was obdurate, saying he was not accustomed to exerting himself so soon after a long journey. The speech was never published. The Governor-General and Mr. Holland met the next day at lunch and fixed up a report for publication, and all summaries of an objectionable character were deleted.

The "incident" of the Governor-General's speech, if not forgotten, at least ceased to engage attention; and the policy of the government remained unchanged. If the financial resources of the country would justify the immediate construction of the railway, it would be done. At any rate, the work could not be proceeded with more expeditiously until the completion of the surveys. The government was conciliatory, but firm. Through its representatives at Ottawa, British Columbia raged! The disturbed state of the political atmosphere on the question furnished hope for possible changes in the government policy.

Mackenzie's government was having its own troubles—or rather, facing a sea of difficulties in other directions. Those in authority and responsible for guiding the country were burdened with anxiety over the heavy commitment of the Federal government. The Liberals blamed the Tories, alleging that the Pacific scandal of the previous administration was

responsible for what was obviously a period of reaction. This led to bitter mutual recrimination which was reflected all over the country. Doubts and fears were assailing everyone. Times were hard. Trade was bad. Annual deficits had to be announced by Cartwright, the Minister of Finance. Of course, the Prime Minister was most mercilessly abused by the Tory press. And, it must be admitted, not without justification. He was wasting his magnificent opportunity to almost the same degree that his political opponents had misused theirs.

There was a suggestion to increase the tariff to make the Budget balance. The Liberal Cabinet had an open mind on this question, perhaps with a leaning towards the increase, but in view of the very strong opposition from the Nova Scotia members, the government finally decided against it. Ever since 1841 an advanced school of Protectionists, led by Isaac Buchanan (of Hamilton, Upper Canada), had clamoured for an increase in the tariff. For the time being even the most advanced would have been satisfied with an increase of 2½ per cent. Alexander Mackenzie believed that an improvement in economic conditions in the country was coming, and that this would ultimately balance revenue and expenditure. Such was the situation when the time came again for the General Elections.

The resolution of the Opposition in the House declaring for a Protectionist policy, and the refusal of the government to agree to any increase in the tariff, cleared the decks for a controversy upon general fiscal principles. It was more than a controversy, it was an embittered controversy; but the most ardent Protectionist, neither then nor for some time later, ever

dreamed of a tariff being increased by more than 2½ per cent., or 5 per cent. at the most.

During the same period, Edward Blake, with characteristic firmness and patience, had been dealing with a matter which was to carry Canadian liberty a step further; although more than one generation was to pass away, and events calculated to threaten the very foundations of civilization were to take place, before the end Blake had in view was realized. The Imperial instructions to the Governor-General, still largely on the lines of 1835, gave His Excellency power to decline to act on the advice of his responsible Ministers. With the assent of the Cabinet, Blake protested against the Governor-General possessing what amounted to a right of veto over the expressed desires of his advisers. After prolonged correspondence with the Colonial Office in London, Blake's contention was partially admitted. Henceforth it was understood that the representative of the Crown in Canada should only act through his responsible advisers. Yet the old form of instructions was not altogether changed, and Downing Street was indisposed to let the sceptre pass from Israel. In the hurly-burly of political affairs, during the following years, this fine work of Blake's was rather lost sight of, but it is an act of grace to remember that this important step towards Canadian autonomy was due to him. And yet it was not until the political complications arising during Lord Byng's tenure of the office of Governor-General, fifty-one years later (1926), that the great principle dealt with by Edward Blake was finally settled. In the meantime, to the shrewd sardonic leader of the disgraced Opposition, came a prescience denied to his more scrupulous adversaries. He was again to scent the "safe political investment." In the general uncertainty as to the fiscal policy of the

future, where others hesitated before the vaguely-perceived complexity of manufacturing and capitalist interests, Sir John A. Macdonald plunged boldly forward. He identified himself and his party with a high tariff, in the interests of the manufacturers, and christened it the "National Policy."

XV

WHERE THE CARCASE IS

Donald A. Smith had come back to Parliament as one of the most influential of Alexander Mackenzie's supporters. He had had a new experience during his campaign in Selkirk, extraordinary in view of the fact that he had been the autocratic ruler of that part of the world but a few years previously. In the two years since his first election, settlers from the east had poured into Winnipeg and Selkirk, amongst them many enthusiastic admirers of Sir John A. Macdonald, whose desertion by Donald A. was bitterly resented. At his first public meeting they attended in force, abundantly supplied with eggs of uncertain age. By the time they got through their work none of the occupants of the platform were recognizable! Still more extraordinary was the fact that Donald A. had as associate member for the West the ex-rebel, Louis Riel. Riel came to Ottawa, quietly entered the House, took the oath, signed the Roll of the House of Commons and disappeared before he was recognized. A warrant was issued for his arrest, but he was assisted by friends to escape to the United States. Had he been granted the amnesty which his friends claimed he had been promised, and had been allowed to take his seat, the probabilities are that the second North-West Rebellion would never have taken place, and a great deal of racial bitterness might have been avoided.

During this time Donald A. Smith appeared outwardly to be in cordial sympathy with Mackenzie's

government. On many questions of public policy he was consulted by members of the Cabinet. Both politically and socially he had everything in common with the Liberal administration. None of the Liberals questioned his single-mindedness in deserting his late political Chief. The Tories, however, did not give Donald A. quite so much credit for purity of motive. They openly charged him with ulterior ends. They were more bitter against him than against the actual betrayer of Sir Hugh's letters. The threatenings that Saul breathed out against the disciples of Jerusalem were mild in comparison to the spirit which animated the Tories. No Tory would exchange ordinary courtesies with him. Every opportunity was embraced of publicly deriding him for his speech on the "sanctity of confidential correspondence." Sinister rumours were circulated as to his probable connection with the conspiracy to get possession of Sir Hugh's letters. If he rose to address the House, it was a signal for the Tories to leave. Nothing was left undone to express their conviction that he was a traitor beyond the possibility of political redemption! Yet he appeared indifferent. It was characteristic. Like Brer Rabbit, he lay low!

In the meantime, events fraught with immense possibilities were transpiring in the western American States. More than a decade before, in March, 1857, the Congress of the United States granted to Minnesota, then only a territory, a vast area of public lands to encourage the building of railroads. In the same month, a charter was granted to the Minnesota and Pacific Railway Company, to which was conveyed a great deal of the land received from the Federal government. This consisted of all odd-numbered sections (640 acres each) within ten miles on both sides of the

proposed railway. In 1862, the rights and the franchise passed to another company. In those early days railway promotion was an uncertain speculation. Company followed company, in rapid succession, until five issues of bonds had been unloaded upon capitalists in Holland. In 1872 the last company in possession of the franchise ceased to pay interest.

At this point the United States District Court appointed Jesse P. Farley, of Dubuque, Iowa, to be Official Receiver to the Company. He secured authority to complete the line to a certain point up the valley of the Red river, thus earning a right to all the available land grant. The railroad was brought along the Red river towards Manitoba. With the opening-up of the new locality to immigrants, the revenue was increased, and the surplus was used for improving the road-bed and purchasing rolling-stock. Thus far, Farley honestly administered the trust committed to his care.

During the three years the Mackenzie government had been in power at Ottawa, the prospects of a syndicate getting control of the Pacific railway in Canada had grown dim. Donald A. Smith thought it advisable to make a deal with the Receiver of the Minnesota railway with a view to have it continued to the borders of Manitoba, and, also, get legislation at Ottawa to connect the American line with Winnipeg at Pembina. If this could be managed, Winnipeg at least would have railway connection with eastern Canada within two or three years. Donald A. Smith was well acquainted with the ground to be covered on account of his frequent journeyings between Fort Garry and St. Paul.

However, the railroad of which Farley was Receiver was burdened with five bond indebtednesses. The

dates of issue were: 1862, $1,200,000; 1864, $3,000,000; 1865, $2,800,000; 1868, $6,000,000; 1871, $15,000,000. The last had been sold in Holland, through the banking-house of Lippman, Rosenthal & Co., of Amsterdam, to trusting Dutchmen. The aggregate liability to the Dutch bondholders was $28,000,000, or £5,600,000. It was thought that Farley might be "induced" to point out to them how hopeless was the outlook for them ever to get their money.

Some years earlier J. J. Hill, a Scotch-Canadian, had settled in Minnesota and had been local agent for Farley's railway. He became acquainted with Donald A. Smith as the latter passed up and down in his journeyings to Fort Garry. They were fellow-countrymen and became fast friends. In the middle 'seventies Donald A. Smith sent for "Jim" Hill to come to "The Cottage" at Ottawa for consultation. Hill returned to Minneapolis to sound Farley about selling out the whole concern to a syndicate of four—Donald A. Smith, George Stephen, of Montreal; J. J. Hill and Norman Kittson, the latter being a Canadian who ran steamers up the Red river from the terminus of Farley's railway, Farley to have one-fifth interest in the deal. The intention of the syndicate was that J. J. Hill should go to Holland to buy up the bonds at their depreciated value, but Farley wanted all the negotiations left in his own hands. He did not intend to give the show away by allowing the bondholders to have an any too rosy vision of the return on the large amounts they had loaned. As the result of his correspondence with Amsterdam, the Dutch bondholders sent a representative to Minneapolis. Such encouragement as he received from Farley convinced him (after a controversy extending over several weeks) that six million dollars or £1,200,000 for the £5,600,000 which

had been invested, was the utmost that the properties could realize. When the bonds were offered the security had appeared unquestionable; and events ultimately proved that the Dutch estimation of the value of their bonds was anything but exaggerated. But when that information reached them it was too late!

In the back parlour of a little hotel in Minneapolis an agreement was outlined between Farley and J. J. Hill, Donald A. Smith, George Stephen and Norman Kittson, and put into shape by a young man named Rennie (from Hamilton, Ontario), which duly transferred all the bonds on the line for the sum of six million dollars. The parties afterwards signed a joint note for the purchase, including an additional $780,000 necessary for contingencies. The cash was borrowed from the Bank of Montreal, of which Donald A. Smith and George Stephen were directors; it was paid to the Dutchmen at Montreal, where a more elaborate legal document between these parties was signed. Farley, because he was a Court Trustee, acting as Receiver, could not be an actual party to the agreement. No writing could be given to him guaranteeing a share. But he subsequently stated that the profits were to be divided into fifths, his share while he was Trustee being held by one of the other four. The fact that George Stephen (afterwards Lord Mountstephen) held two-fifths of the profits was part of the basis of Farley's contention afterwards, that he was entitled to this in return for the part he had taken in defrauding the Dutch bondholders.

The syndicate became incorporated as the St. Paul, Minneapolis and Manitoba Railway, and issued paid-up capital to themselves for $15,000,000 (£3,000,000), no trace of any consideration for which ever reached the

coffers of the Company. Smith, Hill and Kittson were allotted 28,823 shares, being about one-fifth each, and Stephen's share was 19,216 shares, one-half of which it was subsequently alleged was to be held in trust for some person not mentioned in the agreement. This division of interests subsequently became the subject of extended and costly litigation, and is fully reported in File No. 257 of the Supreme Court of the United States, 1893.

The Company as now constructed issued bonds for $16,000,000 (£3,200,000). Unsuccessful efforts were made to sell them in New York and London. Rumours had reached these financial centres as to the "deal," and it was feared that the fate of the Dutchmen might be repeated. In the meantime the consequences of withdrawing £1,200,000 from the Canadian bank had a depressing effect on the stock, which steadily declined from over 200 to 126. The one thing which might ease the money market, and allow the bonds to be dealt with, was an assurance that the railway would be extended to Winnipeg. Donald A. Smith, therefore, introduced a Bill in the House of Commons, known as the Pembina Branch Railway Bill, to authorize the construction of the necessary connection to Winnipeg, through Canadian territory, a distance of sixty miles. The Bill passed the House of Commons, and there seemed no reasonable cause why it should not find an easy passage through the Senate. With this prospect the immense possibilities of the railway were only too evident, and a profitable market was found for the bonds. The indebtedness of the syndicate to the bank, then amounting with interest to $7,000,000 (£1,400,000) was paid, leaving about $9,000,000 (£1,800,000) profit, or $1,800,000 (£360,000) to each share one-fifth of the speculation.

By this successful coup Donald A. Smith and his associates immediately came into possession of 565 miles of a completed and fully-equipped railway, with 2,580,660 acres of the finest wheat land in the world running alongside of the line. Upon this property the Company had not expended one penny of their own money, the stock issued to themselves was fully paid up, and the money necessary to manipulate the deal had been borrowed from the Canadian bank. On the face of the transaction there was no risk whatever to the bank funds, and there was every opportunity for the interested parties to come out of the speculation with enormous profits.

At that time directors of banks in Canada had a legal right to borrow from funds entrusted to their charge. Owing, however, to this power having been greatly abused, the authority of directors became a subject of Parliamentary discussion in later years, resulting in amendments to the Banking Act which practically prevents such acts as the one under consideration being repeated at the present day.

Though Donald A. Smith and his associates were reaping a fortune through the United States railway speculation, the Ottawa end of it was far from taking a satisfactory course. The Pembina Branch Railway Bill, which was to connect the Smith-Stephen-Hill-Farley railway extension with Winnipeg, was rejected by the Senate. It was a matter of common knowledge that its passage was necessary to make this United States railway deal a success. The Tories were in a majority in the Senate. The Second Chamber of the Canadian Parliament is an integral part of the constitution and designed, like the House of Lords in Great Britain, to protect the public against ill-advised or hasty legislation in the popular Chamber. Senators

are expected to review bills from the lower House in judicial calm and free from party bias. As individuals, members of the Senate however are merely human! They had not forgotten the "traitor" who had contributed to the downfall of Sir John A. Macdonald's government in 1873. Some of them burned with desire to carry the Pembina Branch Bill back to the House of Commons with a pair of tongs. They contented themselves, however, with refusing to pass the measure, giving strong Imperial reasons—the inadvisability of permitting the trade of Canada to be carried over an American system, while the government of Canada was hurrying on the construction of a railway through Canadian territory.

The last session of Parliament had been reached. For five long years Donald A. Smith had wined and dined the Liberal members. At the end of that time, although some were less opposed to the idea of a Company constructing the Pacific railway, the Prime Minister was immovable, and a still greater obstacle existed in the fact that both Parliament and the country had enthusiastically approved of the government policy that the railway should be the property of the country. Some thirty-nine million dollars (£7,800,000) expenditure had been authorized by Parliament towards the construction of the Pacific line. Contracts had been awarded for the heavy portions of the route between the Great Lakes and Winnipeg, the Premier asserting that this would make it impossible for the great highway ever to pass into the hands of a company. To outsiders it seemed that those who were anxious to get control of the Pacific railway were now completely barred out. Looking back on the events of that time one cannot but be impressed with the caution and shrewdness with which Donald A. Smith

now entered upon an intrigue against Mackenzie's government. The government was strong both in the House and country. The demand was universal that the country should construct and own the railway. Public opinion was strongly against the idea of a corporation possessing the franchise; yet Donald A. Smith pursued the tenor of his way. Notwithstanding the Prime Minister's declaration of policy, Donald A. still endeavoured to impress him with his own views as to the desirability of having the railway constructed by a company. But the Prime Minister's final word, uttered in that rich Gaelic accent which he never lost, was, "I will leave the Pacific Railway as a heritage to my adopted country."

Donald A. Smith's house at Ottawa became the scene of a scarcely-perceptible but deep intrigue, carried out with such subtlety that there was little more than a faint suspicion of "wire-pulling." Two brothers in the House at that time, Louis and Walter Ross (representing Durham and Prince Edward), were almost the only ones who regarded Donald A. with positive uneasiness. Years later the former said to me that he could not understand "how they were all so wanting in judgment at that time." Their clannishness, as it was good-naturedly termed by some of their fellow-members, was considered to have been dictated by their fears. And in the meantime, with a lavish hand hitherto unknown to political life in Canada, Donald A. dispensed hospitality to all and sundry among the Liberal members.

The hour for prorogation arrived. All over the Chamber were evidences of early flitting, in open desks and torn and scattered papers, whilst the members waited for Black Rod to appear. Donald A. Smith entered the House somewhat abruptly, and scarcely

reached his seat before beginning to address the Speaker. He started to complain about an uncalled-for reflection about his personal honour in a speech made the day before by Sir John A. Macdonald, a report of which had appeared in the newspaper which he proposed to read to the House. In one moment the House was in an uproar! Together with shouts for order, could be heard, "Treachery," "Liar," and other terms still more unparliamentary. The sound of the guns could be faintly heard, which announced that His Excellency had arrived at the Senate, and was awaiting his "Faithful Commons," but His Excellency's "Faithful Commons" was quite otherwise engaged. Sir John A. Macdonald, Dr. Tupper, Dr. Sproule, Mackenzie Bowell, John Rochester, and many others, were yelling themselves hoarse, and shaking their fists at Donald A. He waited quietly for a chance to continue, fearless as ever, not by any means wanting in impressiveness and seemingly the least concerned of all there. The noise reached the lobbies and people came crowding in, some forced close to the Speaker's Chair, amongst them myself, by the crush behind. By a superhuman effort Dr. Tupper now got the floor and both sides took part in the chorus of shouts and yells.

Black Rod knocked. The Speaker tried to make himself heard. In vain! Both Liberals and Conservatives were determined to fight it out and to be recorded in Hansard. The Speaker resumed his seat. Outside, impatiently waited an indignant Black Rod. While in the House, communications between erstwhile friends, confidential and intimate, never intended for the public ear, were announced as from the housetops. A shout in Dr. Tupper's stentorian tones, "You asked me to get you made a Privy Councillor," startled the

House into surprised silence, for a moment. What piece of secret history was this? If their inner thoughts are exposed, even great men are but boys grown up! Hansard gives a faint idea of the scene, yet all too inadequate for one who was there and felt the tingling excitement of a really first-class row. Had those taking part in this "melee" been other than members of Parliament, their reputation would have been forever blasted! The record is fixed. The Sergeant-at-Arms endeavoured to notify the Speaker that His Excellency's messenger waited. His efforts were in vain. Black Rod knocked, and knocked again. He might as well have knocked at the portals of the tomb. Finally the Speaker motioned to the door. Black Rod entered. He bowed, as usual. His lips moved, but no sound reached the frantic House. The Speaker stood up and evidently made an announcement. He was not heard—the "Faithful Commons" continued to shout at one another, with unabated fury! Finally, with what dignity he could muster, the Speaker stepped down from the dais, the Sergeant-at-Arms shouldered the mace, and preceded by Black Rod, they slowly made their way to the lobby leading to the Senate. The Cabinet followed, and then as excited a mob as ever disgraced a House of Commons.

In a determination to be in the middle of the stage I pushed my way through the crowd, close to Donald A. Smith. All around people were hustling and pushing, some of the Opposition with their arms uplifted as if to strike. Many besides myself had no right to be there, but messengers and doorkeepers had lost their heads as well as the people's representatives. The crowd swayed to and fro, and the writer found himself beside Donald A. Smith, just as Tory members reached out to strike his grey top hat. It was a

shuffling and slightly dishevelled crowd that finally reached the Senate Chamber, but once inside those dignified precincts the excitement quickly subsided. It is necessary to read the Parliamentary record to thoroughly understand the bitterness in the political life of the Dominion at that time, and to appreciate the force of the cross-currents that swept around Donald A. Smith.

He was not alone now. Influential associates had joined with him; though it was not revealed till long afterwards that the definite policy of this group was to support any government they could persuade or force into line in the matter of the charter for the construction of a trans-Continental railway, and that they intended to wreck every government they could not so influence. Donald A. Smith within six months was to be working secretly with his political enemies; within two years he was to see their leader and every one of his followers the instruments of his plans; and have the noisiest of all that unparliamentary mob become a more subservient tool for all his purposes than all the Canadian politicians who for thirty-odd years were destined to fall down and worship him; and he was also to see his own hand lifted to smite those who were his friends that night.

XVI

"AULD LANG SYNE"

Perhaps the moment is opportune for a personal reference. Between 1874 and 1878 a serious economic depression swept over Canada, to which reference has already been made. The times were unpropitious, not only in Canada, but all over the American continent. The writer had decided to seek an opening elsewhere, and was spending a few weeks of the summer (of 1878) with friends, before leaving either for the United States or Australia.

It may be true that there is a Divinity which shapes our ends, rough-hew them as we may. One brief hour sufficed to change all my carefully considered plans. A deputation from a local Liberal Association, in an eleventh-hour search for a speaker, invited me to step into the breach. With many misgivings, I took the plunge, though I had never addressed a public meeting before. The next night I was pressed to speak at a much larger meeting, at which the wordy warfare was of a more severe type, two K.C.'s (afterwards Judge Benson and Judge Duncan Chisholm) being among my opponents. The third night I had to speak in the Town Hall, against one of the leading provincial Tory orators. This sealed my fate. Within the next twelve months I was in the thick of the fight from Middlesex to Lennox.

Public meetings at that time were more in the nature of debates, both parties being represented. Such meetings were not child's play. Quarter was

neither asked for nor given. This was the school in which I received my training, not guessing whither it might lead. I suppose my post-graduate course was taken when I published the *Port Hope Evening News* for two years.

I was then asked by the late Senator George A. Cox to see him at Peterborough. He offered me $30,000 to invest as I pleased, on condition that I lived in Peterborough, with the intention of becoming the Liberal candidate in that riding, for either the Provincial Legislature or the House of Commons. I expressed my appreciation of his liberality, but said I hesitated to accept, because I did not see my way to repay him, nor to give him adequate service for such a large sum. He waived my objections, saying he was doing this in the interest of the Liberal Party. On a second visit, whilst we were still discussing the matter, a telegram was handed to him, which he passed on to me. It read: "Blake and Mowat want to see Preston immediately." Sgd. A. S. Hardy. Mr. Cox said, "You had better go up to Toronto; but I am sorry." He knew of the offer that was to be made to me, as it had been discussed with him a few days previously, in Toronto. It was to take charge of the organization of the Liberal Party in Ontario. There was no escape now. It was to be public life for me to the end of the chapter.

Taking up the organization, I threw my best efforts into the work. I made friends in every subdivision in the Province. In later years it fell to my lot to meet most of the Tory leaders on the platform, and with only two or three did I ever have any personal differences. I had to do with five or six General Elections and scores of bye-elections. With the exception of one, when we had a central fund of $23,000,

we never had a larger amount than $8,000 for any General Election.

When I was about to take charge of the first bye-election, I went to see Mr. Edward Blake at his home, and there had an interview which I shall never forget. Placing his hand on my shoulder and looking me in the eyes, he said, "Preston, you and I are now going to have very intimate personal relations. If I ever hear of your doing anything contrary to the law, to secure the election of any supporter of mine, that moment you and I part for ever." Blake was a tall man. But as I looked up at him, he seemed to fill the room. I realized his moral grandeur, then, for all time.

I wish to put on record here that I never violated Blake's trust, though for more than forty years I have been the victim of political abuse, most of it from the cowardly vantage-point of Parliamentary Privilege. I was reasonably successful in my work, but it was due to careful organization, not to corrupt nor illegal practices. This is my pledge to thousands of friends all over Canada. This is my testament to my children and grand-children.

Previous to taking the position of organizer I had represented the London (Ont.) *Advertiser* and the Montreal *Herald* for two sessions in the Press Gallery at Ottawa, and it was there that I first formed intimate personal relations with leaders of the Liberal Party. I was no stranger to them, therefore, when I was selected for the responsible and confidential position to which I was to devote so many years of my life. Nothing could exceed the cordiality with which I was treated by them and by the rank and file of the Party. With Blake, Mowat, Cartwright, Laurier, Hardy, George Ross, Pardee, Anglin, Christopher Frazer, Sir John Gibson, with those, too, of a later generation—

Sir Allen Aylesworth, Sir Clifford Sifton and scores of others too numerous to mention here—I have never had anything but the warmest friendship, and most unreserved mutual confidence. To have continued such friendships to the last, as I did, has made life well worth while. All these men without exception were subject to virulent Tory abuse, so I have been in good company! There was scarcely an offence against political morality with which one or the other was not charged. There was not one of them who, in the whole course of his life, was ever directly or indirectly connected with any form of improper conduct in the most critical contest. Not one of them but preferred defeat, for their government or for themselves, to success by means of corrupt practices. If *all* the public men of Canada had been of this calibre, the political history of the country for more than half a century would not have the soiled pages that it has.

When I entered on the organization work for the Liberal Party, H. H. Smith, of Peterborough, had charge of the organization for the Conservatives. Roderick Pringle, very prominent in the Party, looked after distribution of the election funds, and their principal platform speaker was J. W. Wilkinson, an ex-Methodist clergyman. Five years before, at the close of the first meeting where I discussed politics with this man, I walked across the platform, and held out my hand, saying, "Mr. Wilkinson, as you and I will probably meet often in this way, I take the liberty of introducing myself." With a sinister smile he withheld his hand, with "Hem, you" and walked away. To give him credit for his honesty, however brutal, he had already made it so unpleasant for Liberal speakers that they disregarded all invitations to his meetings. At that time I was only a slim young fellow, weighing,

in fact, only 109 pounds, and looking back now I must admit it was presumptuous of me to tackle a veteran public speaker such as he. The second time we met he was determined that it should be my finish! But I haunted his meetings for years, until he disappeared from public life owing to his connection with the conspiracy to bribe certain members of the Ontario Legislature.

In a very important bye-election in 1883, Messrs. Smith, Wilkinson and Pringle camped out in the principal town in the riding where I also was staying. I had learned something about Pringle's habits—that he was an inveterate gambler at cards. I arranged to have him watched, and the man to play detective on him, lodged in the same hotel. He also was a card-enthusiast; and after a little preliminary canter at poker with Pringle, to whom our man (who was to be known as Mr. Jack Smith, appearing as a Detroit broker in search of a rest for the sake of his health) lost money like a little hero, he established confidence, and Pringle swallowed him—bait, line, sinker and pole. Within a week I knew the entire Tory plan of campaign of bribery. In part of the constituency there was unorganized territory where settlers could vote by making oath that they were owners of specified property, and had resided within the electoral district for twelve months preceding the date of the election. Seven hundred men were employed in Algoma on the construction of a branch of the Canadian Pacific railway, under the charge of Dr. Lefevre, of Montreal, a well-known Conservative, not one of whom had a legal vote. But the arrangement was to bring them to a polling-booth at the mouth of the Spanish river, and their votes would suffice to elect the Conservative candidate for that constituency. To make success

doubly sure, Pringle had given the man whom I had appointed deputy returning-officer, $200 to expedite the registration of the voters as they came along. He had the ballot-box, ballots, and the whole outfit all ready for the following day, with instructions to be at his post, thirty miles away, an hour before the time for opening the poll. I received a telegram from the Sheriff, with orders for the deputy-returning-officer to hand me over the ballot-box with its contents, and giving me authority to appoint another officer. With three or four friends I met Mr. Deputy as he arrived at the polling-booth, much to his surprise. I told him I knew all about the $200, even to the denomination of the bills. He collapsed, and begged for mercy. I told him he could keep the money, but that I must have his resignation immediately.

At about two o'clock we heard shouts from the river. Several hundred men were being hurried to the polling-booth. Between warning intending voters of the penalty for committing perjury, and arguing points of the election law to delay those who were determined to see the thing through at all hazards, only about a dozen of the men had voted when the hour arrived for closing the poll. Then the mob rushed the door, and forcing their way in, demanded to vote. It looked like trouble. The deputy returning officer was a Scotchman, D. F. Macdonald. Thinking he recognized in the crowd the stalwart forms of two or three countrymen, he said a few words in Gaelic. Whereupon three tall figures pressed their way to the front of the hall, and a voice with a bur-r-r one could cut with a knife, shouted, "I have na' heard it fur thurty year." The three reached Macdonald about the same time. They all tried to embrace him at once. The mob stopped howling and stood dumb with amazement.

One of the three, turning to the crowd, said: "Boys, we're licked; God be thanked! That d—— Frenchy would have had us perjure our souls! This countryman of mine has saved every one of us from hell! If any of you fellows touch one of these election chaps you'll settle with me first." Cheers followed this, and the crowd dispersed with laughter and general good feeling.

The Liberal candidate was elected.

To return to our detective, Jack Smith. A strong bond sprang up between him and Pringle's band of electioneers. His virtues as a poker-player appealed to them. He was invited to Tory headquarters for further meetings over the green baize. To make evenings more interesting he was invited to the scene of other elections, and it was through this channel that we first learned of the plot to buy up the members of the Legislature.

This went on for three or four years. "Jack" held his own at the card-table, losing and winning with the same happy smile, keeping me informed of every important manoeuvre of our adversaries, bringing us the information which time and again made the difference between winning and losing an election. Finally, after a very signal victory, "Jack" said, "I'm quitting. They're demoralized, and going to pieces," adding, with that persuasive smile of his, "I'm $15,000 to the good."

* * * *

An election story may be told here; for obvious reasons, without names. In the early nineties a bye-election was taking place in South Huron. Laurier and I had addressed a meeting for the Liberal candidate in the afternoon, and were preparing to return to

Goderich, when a pressing request came for one of us to go to Kintail, where a well-known Irish Catholic member of the Tory government was holding a meeting in the evening. It was in the depth of winter and very cold. A drive by sleigh to the meeting and a drive at midnight afterwards was voted impossible for Laurier, so I took it on. The audience was Irish; the audience was Liberal: and it did not receive the hon. Tory Minister in the spirit he conceived to be his due. He warmed to his subject and said something a little too uncomplimentary about the Liberal candidate. The audience refused to allow him to continue,—Irish blood up all round! I stepped forward, got silence, and asked that the speaker might be given a fair hearing, if not on personal grounds, yet as the courtesy due to his official position as Cabinet Minister, which Laurier himself would wish were he there. This made matters worse! The Minister burst out with:—

"By G——, this is the first time I've ever heard of a Protestant making an appeal to Irish Catholics to listen to me!" Down came his fist on the table, and crack went the top of it! No more discussion was possible in the uproar that followed, and we all got away early.

Three or four years afterwards, going into the main entrance of the Parliament Buildings, I met that Cabinet Minister again. He was leaning against a pillar, somewhat disordered as to dress, his general appearance indicating a morning after the night before. It did not seem fair to him to have people who would be coming to the night session see him in that state, and I suggested to the housekeeper of the buildings that he should be got home. So I went up to him and said: "Not feeling very well, Mr. X.? Better come

home. I'll get you a cab." He pulled himself together, and looking at me with a certain sly intensity which puzzled me at the moment, said, "That you, Preston? Yes, I'll go if you will go with me." The incongruity of the Liberal organizer taking a Tory Cabinet Minister home struck me too forcibly. But I only said "Sure," and got him into a cab with a stalwart messenger, and slammed the door. Half-an-hour afterwards the messenger returned, a sorry figure indeed. His coat was torn to rags and he had a beautiful black eye. He told his tale. As soon as the cab started, Mr. X. turned to him with, "By Heavens, Preston, I've been waiting for you about that Kintail meeting! Now I'll square accounts!" It was in vain that the messenger protested that he was not Preston. The irate Irishman replied, "Don't I know your face, W. T. R., and I've got it right here," as he laid on a blow. Of course the joke came out. And the Minister fitted that messenger out with the best coat that money could buy. And it is only fair to add that he broke off the bad habit, and lived to be a highly useful and honoured member of the Senate.

XVII

SECOND CANADIAN PACIFIC RAILWAY DEAL

On May 10th, 1878, the first Parliament closed which was controlled by the Liberal Party since Confederation. The charter-hunters whose sole object was to secure possession of what the government of that day declared to be the nation's heritage, had found themselves confronted by an administration which remained serenely unmoved, in spite of every influence they could bring to bear. It had been impossible to turn Alexander Mackenzie from his determination to leave the great trans-continental highway as a heritage to the Canadian people. With his Ministry in power their efforts were wasted. Therefore it was decided to try to bring about the defeat of the Mackenzie government. The possibilities of a success in obtaining the charter in the other political camp were weighed and measured. The Tory leaders were not yet aware of the tremendous weapon that was about to be offered to them to assist in returning them again to power. Still less did they suspect that the "arch-traitor," as they continually called Donald A. Smith, was preparing to sever his connection with the Liberals.

The plan of campaign of the charter-hunters was well laid. No gamblers ever played for higher stakes.

The General Election campaign of 1878 offered unusual opportunities to discredit the Liberal administration. For two or three years the revenue had not equalled the expenditure, which necessitated the strictest economy in the public finances. Canadian

politicians as a rule stand pledged to economy when appealing to the electorate, yet it is doubtful if an electorate really approves of too economical an administration. No Canadian government has ever been defeated at the polls because it was courageous in expenditure; while more than one government has been put out of office because of being too niggardly. The government had made preparations for a short campaign, the date of polling having been provisionally fixed for June. Influences outside of the Cabinet induced Mackenzie to postpone the date until September, thus giving his political opponents an opportunity to carry on a campaign of vilification and slander. Sir John A. Macdonald still led the Tories, and he never showed more ability in directing a popular campaign than on this occasion. He promised, in terms which left no room for misunderstanding, that unbounded prosperity would come through an increased tariff; but he needed time to make the Party's financial arrangements. He had educated his Party to the necessity for having a reasonable amount for "contingencies" in election contests. Sir Hugh Allan's money had helped the good work in the election of '72. Now the Tory organization was bankrupt. The manufacturers were, therefore, called together in the most ostentatious manner and subscriptions were solicited from them to assist in carrying through a policy of protection. They were assured that this policy would make them rich—yet at a meeting from which $50,000 were expected, rather less than $5,000 was realized. Then came a most welcome offer. Mr. J. J. C. Abbott had been Sir Hugh Allan's adviser seven years before, when the latter's subscription to the Tory election funds was made. He knew now the pitfalls to be avoided. It was intimated to an influential member

of the party that Mr. Abbott was authorized to guarantee all the money that might be required to secure Sir John A. Macdonald's return to power in the pending elections, *if* an assurance was given that in the event of success Sir John A. would consider favourably a proposal for the construction of the Canadian Pacific railway by a responsible company on terms to be submitted later. Mr. Abbott was one whom Sir John A. could implicitly trust, in a delicate—not to say compromising—matter. Sir John A. gave the required assurance. He did not enquire where the money was to come from. It was sufficient that it was to be provided on a liberal scale; and that his organizers would not have to make last-minute calls for further funds, as he had been compelled to do seven years previously with Sir Hugh Allan. By September the public mind had taken a thorough grasp on the promises of good times to come, even if accompanied by additional taxation. When the result of the polling was published it was seen that Alexander Mackenzie's government had been swept out of existence. What was *not* seen was that the sole bulwark against the rapacity of a certain financial group had fallen. For five years Alexander Mackenzie had stood like a lion across the path of the charter-hunters. Now the country was defenceless against their machinations. Within an inner circle were those who saw the Pacific railway within their grasp at last!

Donald A. Smith was again elected for Selkirk, ostensibly as a supporter of Mackenzie. In a memorandum written in his own hand, defining his position, he said: "As he has no favour to ask and nothing personal to desire from any government he will support only such measures as are conducive to the advancement of Manitoba in the Northwest in the first instance,

and general prosperity of the Dominion." It remained for the future to offer a peculiar commentary on this declaration of his principles!

A petition alleging that his election had been secured by bribery and corruption was filed in the courts. Parliament met in the early part of 1879, too soon after the election for the trial to take place, so that he was able to take his seat in the House as a supporter of the government. During the Parliamentary recess the Selkirk election petition came to trial. The evidence was contradictory, running a close race with perjury. The petitioners claimed that they had proved corrupt practices sufficient to void the election. Mr. Justice Betourney decided otherwise, and confirmed Donald A. Smith in his seat. The denouement was dramatic. A local journalist discovered that the Judge had borrowed money from the successful litigant! The petitioners appealed to the Supreme Court. The usual legal delays intervened; and Donald A. took his seat again. But by the end of the year (1880) a decision by the Supreme Court had been given, reversing that of Mr. Justice Betourney, and declaring Donald A. Smith's election void. He contested the constituency again, though his political vagaries were too much even for the shifting population of the West. He was opposed by a strong local candidate, to overcome the popularity of whom money was freely expended, but when the results of the polling were declared, Donald A.'s secretary expressed himself in forcible and up-to-date western style—"Donald A., the —— voters have taken your money and voted against you." His successor took his seat as a supporter of the Tory government. Donald A. Smith never forgave Winnipeg. One day he was to have his revenge!

Sir John A. Macdonald assumed office in November, 1878. The new administration was no sooner installed

than it was announced that the promise of Protection would be fulfilled in letter and in spirit. The Budget revealed the establishment of a system of Protection to which no objection could be taken by the most extreme advocate of a policy which claimed to make the nation rich by taxing it! By some, objection was taken to the tariff in that it would be a blow to British trade, and might even endanger the British connection. The Toronto *Mail* (on whose staff at that time was Mr. Martin J. Griffin, a brilliant young journalist from Nova Scotia) replied to this expressed fear by declaring: "Then so much the worse for the British connection," an expression which became a catchword in Canadian politics for many years afterwards. This was all the more significant because Mr. Griffin a few years before, over his own signature, had contributed to an American periodical a remarkable article presenting a strong case for the annexation of Canada to the United States! However, the Canadian manufacturers were looking out for their own interests and were not concerned as to the effect of the new tariff on British trade. They had backed the Tory party in the recent election, and it must be admitted that it had paid them.

Early in the session of 1880, Sir John A. Macdonald intimated to the House that the policy of his administration respecting the Canadian Pacific railway would be announced at the next session of Parliament. Immediately after the prorogation he came to London. It was officially announced that negotiations with British capitalists were under way to secure the early completion of the railway. It was even hinted in Canada that the possibility of securing Imperial assistance was not too much to hope for, since the railway would be of Imperial service in offering a short route to the Far East. Sir John A. and his

colleagues were received with fair words. Lord Beaconsfield, in office at that time, gave them his countenance. But the visit to London did not result in the attainment of what was alleged to be its object. No arrangement with British capitalists was made for the construction of the "Great Imperial Route." Later developments tended to the suspicion that the visit to London had not been taken with any sincere intentions. The impression created by Sir John and his colleagues in London was not altogether favourable. A leading London publication said at the time:

> "The Dominion Ministers have grossly mismanaged their mission. They have repelled confidence, where they might have nourished faith. They have created distrust where they ought to have cultivated hope, and they have been mysterious and fussy at the same time. They have flourished about their object, and have inspired communications that have proved to be misleading. The upshot is that, with the best intentions, perhaps, they have cast no credit on the Canadian Pacific railway."

But Sir John A. had attained his object. He returned to Canada with the excuse that no assistance for the railway was obtainable in London. The way was open for the syndicate to step in.

In the third session of Parliament, called in the latter part of 1880, after the return of Sir John A. and his colleagues from London, the announcement was made by the Prime Minister that a contract had been entered into between the government and a syndicate for the construction of the railway.

To say that the country from end to end was startled is to put the case quite inadequately. The episode connected with Sir Hugh Allan was still a profoundly bitter recollection to the people of Canada. Besides,

the idea had become a fixed one in the public mind that the railway was to be built by the Canadian government and held as a national asset. There was no conception of the long and secret intriguing carried on through the last five years, which had as its aim the capture of the railway for a private corporation. The public had not received the slightest intimation that a change in the policy of the government was even contemplated. When the terms of the contract entered into with the syndicate became known, astonishment gave place to dismay throughout the whole country.

The agreement provided for a subsidy of $25,000,000 (£5,000,000); a land grant of 25,000,000 acres; the completion and possession of all the portions of the railway then under contract, costing $39,000,000 (nearly £8,000,000); a railway monopoly for twenty years; free right of way through government lands; exemption from taxation in the new western municipalities for all time; freedom from taxation of their land grants for an extended period, the land grant to be chosen by the company from the fertile belt; and the right to fix passenger and freight rates. Even to the railway promoters of the United States, accustomed as they were to the lobbying and corruption in the legislatures of their country, the lavish terms of this agreement caused astonishment. In the face of such a charter regrets were everywhere expressed that even the corrupt bargain with Sir Hugh Allan of seven years previously had not been carried out; as in his case no such favourable terms to the contractor had been granted, nor such a sacrifice of national interests made. There was more than a suspicion that improper means had been used to secure such a charter. . . . Yet this time the tracks had been but too well covered!

George Stephen and Duncan McIntyre of Montreal; John S. Kennedy of New York, banker; Morton Rose & Company of London, England, merchants; Kohn, Reinach & Company, Paris, bankers, and Richard B. Angus and J. J. Hill of St. Paul, U.S.A., were incorporated as the Canadian Pacific Railway Company. In the list of the first directors of the company, Baron de Reinach represented his banking house, and Henry Stafford Northcote and Charles Day Rose the London banking house, the others being the individual names mentioned in the Act of Incorporation. Donald A. Smith's connection with the syndicate was to be kept secret until every possible concession had been granted.

No objection could be taken to the financial standing of the syndicate, and from the political standpoint two members of the company had been amongst the supporters of the Liberals in recent elections. This rather emphasized the impression that means which might not bear investigation had been found, to reconcile the Tory leaders to a deal of such magnitude with their political opponents. It was well known that the members of the syndicate were all friends of Donald A. Smith and there would have been no surprise to find him, too, in this galley. But the hatred of the Tory leaders toward him made it impossible that he should appear in the syndicate, the Premier giving the most positive assurance to his followers that Donald A. was not one of the capitalists concerned.

Another strong syndicate took the field, offering to take the contract for less, but the subject immediately assumed a party aspect and there was no question but that Parliament would ratify anything that the government proposed. The government, judging from later revelations, was not in the position of a free agent. In

the recent campaign the money had been accepted upon clearly-defined terms, and the government dared not flout the secret understanding. The sums given were too large to be advanced by other than a very wealthy syndicate, and both syndicate and government knew that it was in the power of the former to bring utter destruction upon the latter. Certain concessions had to be made in the province of Quebec as to the purchasing of a railway on which the province had spent $12,000,000, but despite the most strenuous opposition and bitter criticism from the Liberals, the contract finally passed Parliament in the form in which it had been originally submitted.

The syndicate had accomplished their desire at last! They had secured the most stupendous contract ever made under a responsible government. The contract was a crime. The means by which it had been secured were even worse. The results lie across the history of this fair Canada as a trail of the foulest and blackest corruption of which any self-respecting community has ever been the victim.

XVIII.

PURCHASE OF "THE GLOBE"

"THE PRESS BEGINNETH TO BE AN OPPRESSION OF THE LAND"—*Thomas Fuller.*

The story of the purchase of *The Globe* should have been told long ago. This great newspaper, for forty years under the proprietorship of George Brown, was rather more than the official organ of the Liberal party. It was the BOOK OF THE LAW of Liberalism for Canada, and ranked with the most important journals on the American side.

After George Brown's death, his widow's solicitors in Edinburgh, in response to considerable importunity on the part of Donald A. Smith's agents, gave an option on *The Globe* for a large figure. Mrs. Brown learned with regret that this had been done, and wrote to Robert Jaffray, a personal friend of her husband in the late eighties, expressing her wish that *The Globe* should continue to be a Liberal newspaper, and offering it to the party at a much lower figure than Donald A. Smith was then willing to pay to get the Liberal mouthpiece into his clutches. Hon. A. S. Hardy, Sir Richard Cartwright and I were deputed to discuss the matter with Mr. Jaffray. There was an immediate decision that at all costs *The Globe* must be retained as the official exponent of Liberalism. Robert Jaffray and George A. Cox agreed to subscribe an amount slightly in excess of one-half the sum required, provided that friends of the party should pay the balance.

Armed with letters from Laurier and Mowat, I was commissioned to go over the province and explain the situation to those whom it might concern; with the result that the necessary money was obtained and *The Globe* saved. George A. Cox and Robert Jaffray were afterwards appointed to the Senate, as a mark of gratitude, by the party, for their services in this matter.

Under the arrangement made with the party leaders the stockholders were entitled to nominate three directors, and the party leaders two (the latter not necessarily stockholders). If my memory serves me rightly, the late Joseph Tate and W. B. McMurrich were nominated by Sir Richard Cartwright to the directorate, as representatives of the party. The idea was that *The Globe* should be held in a perpetual trust for the Liberal Party, to act as its mouthpiece. In no sense whatever was the paper to be the personal property of those under whose direction or nominal control it might come. The correspondence with Mrs. Brown made this very clear. It was never intended that the control of *The Globe* should pass from the Liberal Party to private individuals, much less that private individuals should control its editorial columns to the disadvantage of any Liberal leader. In fact, Oliver Mowat (as might be expected from one having his precise legal mind) suggested that in the incorporation of the company, the fact that it was a trust which the shareholders were assuming on behalf of the Liberal Party, be especially emphasized. This was Mrs. Brown's intention. The point was seriously discussed in private by Sir Richard Cartwright, Hon. A. S. Hardy, and myself; but it was decided that inasmuch as this view was perfectly understood in all the conversations with Mr. Jaffray and Mr. Cox, it would seem like a want of confidence in them to carry out the

suggestion made by Mr. Mowat. The deal went through, with no thought of possible contingencies supervening, due to differences of opinion between *The Globe* and the Liberal Party in the future.

XIX.

EATING CROW

The construction of the great railway was carried on apace; carried on, it may be noted, not by Canadian labour for which the syndicate had promised employment. No. But by the labour of tens of thousands of coolies, sent out by ship-loads from Hong Kong. Within the charmed circle of the syndicate, construction companies, purchasing agencies, and land companies were formed. From every possible source those in the inner ring promoted their own interests. But with all their apparent prosperity there was a skeleton in the cupboard. The syndicates had apportioned to themselves large blocks of the stocks of the company at a very low rate, which they were unable to get the investing public, in either Europe or the United States, to take up; though not so much for want of confidence in the value of the securities, as for other reasons. The Minnesota and St. Paul railway deal was still remembered. The Dutch banking-houses, which had lost so many millions through the sale of their bonds to the Canadian syndicate, warned others against it. As the chief members of the syndicate were also directors of the Bank of Montreal, they again had recourse to the funds under their control, notwithstanding the narrow escape of twelve years previously from financial catastrophe. To carry on the work of the company more money had to be borrowed from the bank. At all hazards the ever-increasing demands of the construction company had to be met. To suspend

payment would not merely jeopardize their own positions but would bring about the most serious consequences to the bank. As time went on, and still the railway securities could not find a favourable market, the indebtedness to the bank became far in excess of the paid-up capital and the reserve. Finally the directors had given the bank all the securities they possessed, but they had to have a further million dollars, or suspend payment. They dared not go to another bank for fear of creating uneasiness, and perhaps precipitating a panic. There was nothing to do but to apply to the government at Ottawa for assistance. Should the government refuse, there was ruin (or worse) for everyone connected with the enterprise. Donald A. Smith was the only member of the syndicate who never lost his nerve, but even he in later years used to refer to the position at that time in the words, "It is the government, or the penitentiary."

The syndicate had never failed to respond to the appeal of the Tory Party for contributions. The whole personnel of the railway and its contractors was turned into a Tory electioneering agency. Every possible corrupt form of influence had been used to drive out of public life the opponents of the syndicate. It is no exaggeration to say that Parliament itself had become the creature of the syndicate, and the government owed to the syndicate its retention of power.

But the representatives of the syndicate, who were selected to interview the Premier on the subject of a further huge grant of money to cover the dangerous indebtedness to the Bank of Montreal, could not forget that when the original negotiations were made, a solemn assurance had been given to Sir John A. Macdonald, that Donald A. Smith was *not* a member of the syndicate. They remembered the Premier's

searching enquiries on that point. They remembered that Sir John A. had declared that if Donald A. Smith had anything to do with the agreement he would throw the whole project to the winds. Sir J. J. C. Abbott and his colleagues knew that downright lying is a very difficult thing for anyone to forgive, and that Sir John A. was the last man to deceive with impunity. The deputation had to admit to Sir John A. that Donald A. had been with the syndicate from the beginning, and that he was its mainspring. They told the Prime Minister that they were compelled to ask for government assistance, because the money market had been against them; they pointed out that the stoppage of the work on the great railway, and the serious consequences to the Bank of Montreal would precipitate such a crisis as would bring down the government anyway. And they explained to the Premier that a loan of not less than $30,000,000 was necessary.

Sir John A. at first positively refused, but after much persuasion agreed to leave the decision to a meeting of the Cabinet that afternoon. At this meeting the whole matter resolved itself into a question as to whether the occasion might not be a suitable one for "scotching" Donald A. Smith once and for all, railway or no railway, risk or no risk. When the Cabinet meeting was concluded, George Stephen, who had accompanied Sir J. J. C. Abbott, was in the ante-room of the Privy Council awaiting the decision. Sir John A. told him that he could hold out no hope of the loan being granted—and the desperate position of the syndicate may be imagined!

It was a weary figure, with the face of a man suddenly aged by the most severe mental anguish, who was preparing to leave Ottawa for Montreal that evening. A member of the Cabinet, Hon. Frank Smith,

who had evidently hurried to the station to see him, walked up quickly and said, "Is that you Stephen? I had been looking for you and did not recognize you. I am going to help you; you must remain here three days." Stephen replied that nothing would induce him to remain, and that he "would never be seen in Ottawa again." Frank Smith's persuasiveness prevailed, and Stephen returned to private rooms where he would be free from reporters. Smith assured Stephen that he would bring the matter up again in the Cabinet, and he hoped the decision of that day would be reversed. A trusted Canadian Pacific official, Mr. G. H. Campbell, who happened to be in Ottawa at the time, was asked by Frank Smith to stay with Stephen, and not to allow anyone to have access to him. Many years afterwards, Mr. Campbell told me that these three days were amongst the most anxious of his whole life. He was the constant companion of a man torn with anguish and remorse, whose heart seemed breaking with compassion for the friends whose ruin he felt he might be responsible for, and who was haunted with the fear of the all-too-probable failure of Frank Smith to save a desperate situation.

George Stephen, like Donald A. (whose cousin he was), had risen from the ranks, and this was the first setback in a successful career. He was wealthy, as wealth was counted in Canada fifty years ago, 'ere he had ventured his boat on that expansive sea of railway speculation with Donald Smith and J. J. Hill at the helm. He had profited by millions with his colleagues in the American railway deal, as the result of the fifty million gulden lost by the Dutch bondholders. The only "fly in the ointment" was that a suit was being threatened in the Minnesota courts by Jesse P. Farley. Farley was knocking at the door for

the one-fifth of the profits of that deal which he claimed the company held in trust for him, alleging that it was in George Stephen's name the odd one-fifth was put, when the transaction went through. That there would be serious allegations made by Farley in the courts there was no question, whatever doubt there might be as to whether he could succeed in his claims. The allegations, moreover, would be very damaging to the reputation of all the parties concerned. Yet however bad this echo from the past might be, the present situation was infinitely worse! What if the Cabinet did not relent!

Hon. Frank Smith belonged essentially to the older school of politicians and was the representative Roman Catholic in the Dominion. As large financial interests engrossed his attention, he had declined to accept the responsibilities of a department, holding a seat in the Cabinet without portfolio. He possessed a high standard of honour, none of his great wealth having been acquired through questionable methods; and he was blessed with the Irish characteristic of a large-hearted sympathy for both friends and foes alike. He was on more friendly terms with the Premier than any other of the latter's colleagues. He had great influence with the clergy of his Church (and through them over their parishioners), and it was believed by Sir John A. that Frank Smith could bring about what changes he liked in the Catholic vote. He declared he would resign his seat in the Cabinet unless the government came to the rescue of the railway, and was able to bring sufficient pressure upon the government in spite of the bitterest possible personal resentment against the leading member of the syndicate. Three days afterwards Frank Smith hastened to George Stephen to tell him the cause was won.

The Cabinet had been brought to toe the line; but the rank and file of the government supporters in the House had then to be pacified. A caucus of the members and senators was called and it was found that a surprising number were opposed to the decision of the Cabinet. The members were willing to assist the syndicate and save the railway, but they declared they would rather go out of power than save Donald A. Smith from the pit he had dug for himself and his friends. They forgot that it was the money of the syndicate which had made their campaign successful in 1878, though Donald A. Smith was concealing his part in it by posing as a supporter of Alexander Mackenzie's government. They forgot that in every election since, the syndicate had poured out money on their behalf. For the moment they overlooked the fact that of those present a number large enough to keep the government in power had their seats solely because the influence of the syndicate had been exerted for them. More humiliating still, many there had money in their pockets which they had "borrowed" from members of the syndicate. However, after much blowing-off steam, calm counsels prevailed. But Sir John A. was compelled to promise that Donald A. should be humiliated to the earth! The passage of the loan to the syndicate was effected, though not until certain members of the House had made their own terms. The syndicate had to distribute largesse with bountiful hand. Common stock of the company was anonymously placed in trust for certain prominent politicians in Ottawa (which came to light in later years when Wills had to be probated). A costly necklace was presented by Donald A. Smith to the wife of the Prime Minister. Rumours were rife of large sums being found by other members placed to the credit of

their banking accounts. Duncan McIntyre (who retired from the syndicate a few years afterwards) made a remark to friends that although it had saved the fortunes of all concerned, and had averted a financial calamity, "the loan was a pretty expensive luxury!"

But before this stage was reached Sir John A. insisted, as one of the conditions of the loan, that Donald A. Smith should contest a Montreal constituency, not only as a government supporter, but as his own personal admirer and follower! It was a severe dose to Donald A., and after all that had gone before, was drinking the cup of humiliation to the dregs. Sir John A. had sweated blood over the shame of the Pacific scandal of 1873. There were those around him who would be only too glad to oust him from the position of Premier. Hence, to compel Donald A. Smith to bow down before him and give him a certificate of character was some satisfaction. Only a Scotchman could conceive of making a countryman of his own pay such a price as Sir John A. demanded from Donald A. Smith! However, the loan of $30,000,000 was secured . . . . and the situation was saved.

Yet, there were compensations. Donald A. Smith was now openingly acknowledged as the master mind of the syndicate. He could let his light shine before men, and they could see his work. In this his vanity was pleased. It was just at this time that it fell to my lot to cross his path. Fifteen years afterwards he told me how bitterly disappointed he was in not getting possession of *The Globe*. In answering his enquiries I told him, laughingly, my share in getting the money. My candor was a mistake. I had crossed his path again.

XX.

THE CANKER WORM

From this point the open demoralization of the Canadian Parliament can be dated. The loan already granted showed the syndicate the method by which they could obtain still others; and year after year additional legislation was intrigued, bribed and lobbied for. Through the purchasing of supplies, the awarding of contracts, in options on proposed sites along the line of the railway, the imparting of inside information as to the prospective routes for branch lines for speculative purposes, and through allowing special terms and prices for the buying of railway lands, together with the free distribution of paid-up stock of the company's subsidiary corporations: the influence of members of the House of Commons was openly trafficked in. In addition the accounts and bankbooks of members of the syndicate showed the demands made upon them by members of Parliament, in the form of requests for subscriptions for bogus companies, incorporated for no other purpose than to furnish excuses for asking members of the syndicate for huge sums of money. Forests in the western prairies, where timber was comparatively scarce, were sold to members of the House at the nominal figure of $5 per square mile for which a ready market was available from contractors in the State of Michigan. Ministers of the Crown received subscriptions for campaign and for personal purposes and heads of the spending departments collected toll from successful tenderers for contracts.

Forgotten was the time when such procedure had meant the disgrace and downfall of a government! Cabinet Ministers held lands secretly in their names, and arranged with confidential agents to unload their holdings on the public. This was the deplorable state of affairs which existed in the Canadian Parliaments between 1880 and 1890, and the Tory majority openly taunted their opponents with "not being in the swim." Some of whom, indeed, fell before temptation! Year after year, as the syndicate came back to Parliament for further concessions, so did the circle of political demoralization widen. Years afterwards, when telling me of some of his experiences with the public men of Canada at this time, Lord Strathcona grimly remarked, "they were a hungry lot in Ottawa then." Looking back on the events of that dismal period, the wonder is that even a leaven of Liberal members were able to retain their seats or make any attempt to stem the tide of evil influence. The canker worm had reached the vitals of the body politic; the company, which had been incorporated by Parliament, had become its master, and a menace to the state.

Among the directors mentioned in the charter incorporating the railway are names honoured in Great Britain, names significant of commercial, official and political probity and worth, whose records stand unblemished. These, however, were there as a shield for the actions of the syndicate in Canada. Never has it been suggested, even for a moment, that these co-directors were associated in the remotest degree with the demoralization marking the operations of the syndicate in Canada. That these were kept in the dark is unquestioned. That for any consideration whatever they would have become parties to what was taking place in Canada is impossible to imagine.

Whether any participated in the profits does not necessarily form a subject for enquiry.

The much-disputed Pembina branch railway had long been completed, and Winnipeg was connected with the East by rail. After the defeat of Mackenzie's government, an obliging Senate at Ottawa discovered that stronger Imperial reasons existed for the connection being made with the United States railway system, than had existed against it two years previously. It was argued that this railway was now necessary as a means of transport for construction supplies for the prairie end of the Canadian system.

One of the terms of the agreement between the Canadian government and the syndicate was the monopoly granted for twenty years. The Canadian end of the syndicate could depend upon J. J. Hill to prevent the construction of any other line in the United States to the Canadian border. Between them there would be no competition in rates, and the public would be at their mercy; consequently the "Empire Builders" had the farming community of the West between the upper and nether millstones.

Meanwhile Jesse P. Farley clamoured for his share of the spoils. Farley had found that:

"The downhill path is easy,
"But there is no turning back."

He could not undo the wrong he had done, and he had had no share of the gains. Farley was repudiated, lock, stock and barrel! He entered an action-at-law. His allegations were clear and distinct: he had agreed to help the Canadian syndicate to get the road, by persuading the Dutchmen to sell their bonds, and had used his official position to this end. His statements were corroborated by the President of St. Paul and Duluth railway. Kittson (who was present when the

agreement was drawn) was also expected to confirm Farley's testimony; he died before the case came to trial, but alleged conversations with him were given in evidence. For thirteen long weary years the suit dragged its way through the courts of the United States, finally in 1893 reaching the highest judicial tribunal, and journeying twice between Minneapolis and Washington on account of legal technicalities. The court held that Farley's failure to prove his claim by written agreement would entitle the defendant to a decision; and, even if there had been an agreement in writing, his trusteeship at the time would have rendered it illegal. But long before the final decision of the Supreme Court at Washington was given, Farley had gone to that bourne from whence no traveller returns. Donald A. Smith, J. J. Hill, George Stephen, and their heirs (and those of N. W. Kittson) remained in peaceable possession from then on.

The St. Paul, Minneapolis and Manitoba Company, under another name, became one of the main trunk lines of the western states, reaching out its arms to the Canadian west at three or four points. St. Paul, Minneapolis and Winnipeg became great tributaries to this system, resulting in enormous wealth to the company. No wonder Jesse P. Farley had wanted his share when he saw the colossal fortunes that he had passed over to the Canadian quartette! In twenty-seven years Donald A. Smith, J. J. Hill and their associates in this venture received $413,000,000 (£82,600,000) interest-bearing securities, exclusive of annual dividends. And the Dutchmen still have a vivid recollection of how, in selling these bonds, they had gone down from Jerusalem to Jericho!

From a memorandum prepared by Attorney Brooke Adams (grandson of John Quincy Adams) for the

Interstate Commerce Commission at Spokane, the following figures show the amount of interest-paying securities divided between Donald A. Smith, J. J. Hill, and their associates in less than thirty years:

1879.....	$15,000,000	1898.....	$28,000,000
1882.....	2,000,000	1899.....	13,500,000
1883.....	9,000,000	1899.....	6,750,000
1888.....	2,000,000	1901.....	30,750,000
1890.....	4,200,000	1905.....	41,000,000
1892.....	4,125,000	1906.....	84,000,000
1893.....	2,000,000	1906.....	135,000,000
1898.....	30,000,000		

The last item was issued in the form of ore certificates; 1,500,000 certificates of $100 each, the market value of each certificate then being $90.

The American syndicate owns a vast area of high-class iron ore in Mesaba County in the State of Minnesota, secured partially by purchase out of the earnings of the railway company, the balance in the land grant that formed part of the security of the Dutch bondholders. The company has a perpetual contract with the United Steel Corporation for the full run of the ore in these mines, furnishing a source of wealth for generations—by itself an Eldorado.

XXI.

"BEST-LAID PLANS GANG AFT AGLEY"

The attempt made by the Tories at Ottawa to capture the Legislature of the Province of Ontario in 1883 deserves special mention. Feeling between the Federal and Provincial governments had long been like smouldering fires, even before the Imperial Privy Council had given Ontario definite possession of the vast hinterland to the west and north. Relations between the followers of Sir John A. Macdonald, and those of the doughty little champion of provincial rights, Sir Oliver Mowat, were very bitter and exacerbated by the personal differences of the two men themselves. Mowat had begun his career as a law student in Macdonald's firm in Kingston, and a story was told which reflected anything but credit on the senior member of the firm in some dealings with the father of his puritanical and ultra-Presbyterian junior. There is little doubt there was some reason for the intense antipathy between these two. Strong Tory Federal influences had been exercised to deplete Mowat's forces in the provincial election of 1883, and his return to office with a reduced majority made it seem possible that a second assault would finish off the last stronghold of Liberalism in Canada.

Before the date fixed for the opening of the first session, there was a barefaced attempt made to buy outright a certain number of Mowat's supporters in the Legislature. One of them came privately to a

member of the Cabinet and said that he had been approached by a prominent Tory with the offer of a considerable sum, if he would support a vote of Want of Confidence against Mowat's administration. Reliable information, indicative of a widespread plot, soon came to my ears; and eight or nine members of the new Legislature contributed further proof. The bribe in each case was to be cash down, or a position guaranteed in the Federal service in the Northwest, or a situation under a prospective Tory government in the province.

The procedure was to be by means of letters purporting to be written by Sir David MacPherson, Minister of the Interior at Ottawa, to a conspirator named Wilkinson; intimating that any nominee of the latter would be recommended for the post in question. As evidence of "Wilkinson's" good faith and authority, the members who had been approached were invited individually to see C. W. Bunting, M.P., proprietor of the Toronto *Daily Mail*, who would give the necessary assurances. Mr. Bunting was generally esteemed, and was known to be on intimate and confidential terms with Sir John A. Macdonald; those who accepted the invitation to visit him in this connection stated that he said he was acting with Sir John A.'s authority.

Certain moneys were paid. The resolution condemning the Mowat administration, which these members were to support, had been outlined by the leader of the Opposition in the Legislature, Mr. W. R. Meredith, when the whole plot was sprung to an amazed House by the Premier himself! On behalf of those whose bribery had been attempted, Sir Oliver placed all the money on the Table of the Legislature, amid a scene of excitement quite beyond description. The Opposition, of course, denied all knowledge of the plot, and accused the members in question of laying a trap.

As may be imagined the bitterest passions were aroused. An inquiry was opened by the Legislature, and several of the parties concerned found it advisable to go abroad, or out of the country beyond the provincial jurisdiction. The committee which dealt with the matter reported the charges proved against several of the conspirators. Mr. Henry Merrick, M.P.P., one of Meredith's supporters, stated under oath that he had taken occasion to warn his Chief as to what was going on, but Mr. Meredith believed him to be romancing. The House recommended that certain persons be prosecuted in the Courts of the province for bribery and conspiracy, and eminent Counsel were engaged on the case for years, appealing and re-appealing, and running up huge bills of costs over technicalities. The Crown failed to secure convictions, although the fact of attempted bribery was proved beyond question. And for three or four years the whole subject kept public attention in an irritated state, and was discussed with every degree of bitterness.

The moneys laid on the table of the House were set aside for the Department of the Receiver-General.

XXII.

AN IMPOSSIBLE TEAM

In the latter months of 1886, rumours were current that the Federal government intended to rush on the General Election. There is little doubt that Sir John A. was disinclined to meet the House again, hoping that in an election under the new Franchise Act several of the more troublesome Liberals might be left at home. Just when the public was looking every day for an announcement of the Dominion elections, the province was startled by the sudden dissolution of the Provincial Legislature, the election being fixed for the latter part of December.

Early in 1884 the conclusion was reached by the Ontario government that the next elections should take place in the latter part of 1886, unless in the meantime unexpected events might occur. It was therefore my duty to have the provincial organization in good shape. I could not tell any one the real reason for the interest being taken in getting everything in fighting order, only that after the efforts that had been made to buy up the Legislature, no chances could be taken of being unprepared for the next contest. By midsummer, 1886, our fighting forces were in splendid shape. Meanwhile, in May, the provincial Cabinet decided I should go to Ottawa and talk the whole matter over with Mr. Edward Blake, and tell him that unless he strongly disapproved the Ontario elections would take place in December. Blake gave the proposal his blessing. Naturally trustworthy candidates were taken into confidence. Looking back one

can only be amazed that a secret of this kind could be kept for two and a half years, without the slightest suspicion on the part of public or press.

Finally the date arrived when the Premier must interview the Lieutenant-Governor (Hon. John Beverley Robinson) and recommend the dissolution. With members of the Cabinet I waited in the Premier's office his return from Government House. It was a relief to all when he came in smiling, saying, "It is settled." At once the question came up, "Shall the announcement be made to-day or postponed for two or three days?" Upon this there was a difference of opinion. I was deputed to consult Blake. He had left his office for home before I reached there. But knowing the route he usually took, I hurried after him with my cab. I told him my errand. "Announce it without fail to-night," was his advice, as we returned to Mr. Mowat's office.

Already in the summer of 1886 there were ominous intimations of an anti-Catholic campaign being hatched at Tory headquarters. In the previous provincial election the cry had been raised by the Ontario Tories that the Mowat administration was unjust to the Irish Catholics, as they had not received the share of the provincial patronage they might be considered entitled to. As anything sectarian or racial could always be depended upon to raise a breeze of large proportions in Ontario, this cry had undoubtedly an effect upon Liberal candidates' chances in certain constituencies. So much for the appeal to the Catholic vote. On the other side, a bid was to be made for the extreme Protestant vote. Sectarianism might be induced to cut both ways! A bitter and noisy campaign was started over the question of the Separate School system in the province; whereby it was calcu-

lated that the Orange Order would enlist all its forces in a demand that these schools should be abolished forthwith.

This political group was swayed by their leaders to the grossest anti-Catholic prejudices, but masqueraded as the lamb-like defenders of Protestantism—in fact, its BULWARK. The agitation to abolish the Roman Catholic Separate Schools in Ontario soon reached vast proportions. Sir Oliver Mowat's opponents counted upon his being impaled upon the horns of a dilemma. If he should try to abolish the Separate Schools there would be a solid Catholic vote against him in every constituency. If he upheld the schools, Presbyterian Protestantism would rise up and slay him. Sir Oliver, with the sincerity and unobtrusive competence which characterized him, lifted the whole ugly controversy to a higher plane. Those who remember him can hear his gentle, precise accents: "Confederation was founded on an agreement to preserve the Separate School system. No such solemn agreement could be violated without endangering the foundations of government." To a deputation of Presbyterian ministers at his house, afire with sectarian bitterness—like John Knox, they talked of the "Scarlet Woman"—his sane statesmanship came as a draught of cool water: "A bargain is a bargain. Even if you get the worst of it you cannot break it."

In this particular Provincial election the leader of the Opposition, Mr. W. R. Meredith (afterwards Sir William), was in a cleft stick. The Orangemen were obstreperous bedfellows, and gave his campaign a strong anti-Catholic bias. He himself, however, had made a written personal promise to a prominent member of the Catholic hierarchy that if he were put in power he would maintain the Separate Schools.

Proofs of this letter came into my hands and I did not hesitate to use it at a meeting to which I was invited to discuss public questions with him. The announcement of this letter, which Mr. Meredith had thought sufficiently private to be ignored, came as a "bolt from the blue." He was too dumbfounded to deny it. The audience was wild with excitement and the meeting broke up in confusion. The constituency where this took place was one in which the Conservative candidate had been making frantic appeals to the prejudices of the ultra-Protestant section of the community; and this letter from his leader who thus committed himself not to interfere with the Separate Schools in the case of his being returned to power, had quite a deadly significance.

I had a certain satisfaction in meeting Mr. Meredith under these particular circumstances. Previously to this campaign, our relations had been without personal rancour, and the occasions on which we met were reasonably free from personal or party bitterness. However, a few days previously, at a political meeting in the western part of the Province, he had produced a cheque, which he alleged was endorsed by me, and payable to my order, from a prominent liquor dealer; and he claimed this was evidence that the liquor interests were subscribing money to sustain the Mowat administration. I was to speak at that same place the following evening. Mr. Meredith left this precious document in the hands of one of his friends, with directions to "shove it down my throat" at my meeting. It proved to be a very blank cartridge, as the signature on the cheque did not bear the slightest resemblance to my writing, and my opponents had to admit that the construction so rashly placed upon that scrap of paper could not hold water.

The Dominion Government threw all the influence possible against Mowat's supporters at this election, but it was of no avail. With the prestige of the boundary victory which had added 100,000 square miles to the areas of the Province, Oliver Mowat was returned to power, stronger than ever, and with a public opinion set strongly against the Federal administration on account of the grants of the timber-limits made by Sir John Macdonald. And Mr. Meredith's attempt to ride to victory behind so impossible a team as the Orangemen—who demanded the abolition of Separate Schools, and his own personal assurances to the hierarchy to maintain them—was the fiasco it deserved to be. To add to Sir John A.'s other perplexities at this time, the *Mail* joined in the anti-Separate School campaign. This was bitterly resented by Sir John A.'s French Catholic colleagues, resulting in Sir John A. taking C. W. Bunting, M.P. (proprietor of the *Mail*) severely to task. Edward Farrar, who was then Editor-in-chief of the *Mail*, Catholic though he was, persuaded Bunting to continue the anti-Catholic propaganda, regardless of the Conservative leader's views. Eventually Farrar left the *Mail* to accept an editorial position on the *Globe*, and the *Mail* resumed its old relationship with Sir John A. Macdonald.

After the Provincial Election of 1900, Mr. Meredith was both discouraged and disgusted with his party and his position. He was really an extremely able man, intellectually head and shoulders above the Tory leaders in the Federal arena. It is easy to infer that he had been thrust into the leadership in the Province to get him out of the way of the crowd at Ottawa, and the rôle never suited him. The attempt to buy up the Liberal members of the Legislature in 1883 was

certainly undertaken without his knowledge. It came out in the evidence at the enquiry, that when the plot was well under way and he was told of it by Mr. Merrick, he refused to credit "that such foolishness was possible." But he could not altogether escape the odium attached to the exposure. Too, he had to share the discredit of Sir John's distribution of the 25,000 square miles of Ontario lands amongst "the faithful." He evidently saw no hope for his party with such a load to carry, and had no faith in his own leadership. He retired to the Judicial Bench, dying at the ripe age of eighty-four.

On the Bench he was more of a loss to his country than a gain to the Bench. His natural bent was politics and he was a politician to the end of the chapter. His political predilections could not help coming out if he had to adjudicate upon a case with a political tinge. So much was this recognized that the services of the Attorney-General were sought to have certain cases transferred to another Court than that presided over by Justice Meredith. Too, he acted as confidential adviser to Sir James Whitney during the whole term of the latter's office as Conservative Premier of Ontario.

This could not have happened in England, but there was something about Meredith which made even his opponents respect his partisanship. He was a born leader. His position under Sir John A. Macdonald must have been gall and wormwood to him. If he had not retired to the Bench, but had become the leader of the Tory party in the Dominion after Sir John's death, how different might have been, not only the history of his Party, but the course of events in Canada. He was not of the type of public man who would use his public position to accumulate private

wealth, nor would have allowed a Cabinet colleague to do so. As leader he would never have had such men about him. But he missed his chance. Perhaps he may be looked upon as another of Sir John's victims. And his country was the loser.

Mr. Meredith's withdrawal from the Provincial leadership of the Conservative party was an incalculable disaster to his followers in the Legislature. He so completely overshadowed his supporters in ability and force of character, that his absence left a void that could not be filled. For two or three years the opposition to the government was pitiable to an extreme degree. On the government benches, surrounding Sir Oliver Mowat, were A. S. Hardy, K.C., familiarly known as "Little Thunder," a brilliant administrator and charming public speaker, with a political record absolutely unimpeachable; Christopher Finlay Fraser, K.C., a Scotch Catholic, a master of rhetoric and eloquence, Minister of Public Works, unassailable in his administration; Lt.-Col. J. M. Gibson (Sir John), K.C., Provincial Secretary, also with a clean public record; Geo. W. Ross (Sir George), the subject of violent attacks from political opponents, but whose department was managed with spotless integrity, and as a public speaker had no equal in the Province; together with Richard Harcourt, K.C., Provincial Treasurer, and John Dryden, Minister of Agriculture, presented an array of talent seldom seen in one administration. No student of political history but must regret the lamentable situation of the official Opposition in the Legislature for several years following Meredith's withdrawal. Notwithstanding this, however, the overwhelming defeat of the Liberal party was only nine years off.

XXIII

LOADED DICE

Sir John A. Macdonald became Attorney-General in 1857 as before chronicled. The prestige of Confederation carried him to victory at the polls in 1867. The money from the sale of the Canadian Pacific Charter to Sir Hugh Allan and his American associates, pulled him through the General Elections of 1872. The ineptitude of Mackenzie's administration, combined with the $800,000 furnished by Donald A. Smith and George Stephens, in consideration of the possibility of another Canadian Pacific Contract, placed him in office in 1878. And in power once more, this sardonic humorist was disinclined to take further chances with the vagaries of popular approval. Under the excuse of making provision for four additional seats in Ontario as the result of the Census of 1881, the government carried through Parliament a redistribution of no less than fifty-four constituencies. This was called "hiving the Grits," an assumedly highly-opprobrious term applied to Liberals. By this redistribution of electoral districts, old county boundaries were disregarded in a flagrant manner, and a wholesale "Gerrymander" was perpetrated. There were constituencies where the districts were not even contiguous, but were divided by another constituency. There were other constituencies where the districts were connected only by their corners. The shape of many constituencies would have served as prophesies of modern Cubist art, like nothing then known on earth or the waters under the earth! Even the most laudatory biographers of Sir

John A. admit that this measure was "somewhat unsatisfactory." At the time, not a few of his supporters were frankly outspoken in their opinion that the new electoral law "was a blunder as well as a crime." But Sir John A. could take no chances in an election. Defeat was not all which had to be averted.

At this time the famous boundary dispute between the Province of Ontario and the Dominion Government came to a head. What was at stake was the possession of the great lands of the West beyond the area embraced in the old Province. This was a vast hinterland north and west of the Upper lakes, the area concerned being more than one hundred thousand square miles in extent. In it were splendid waterways, hundreds of miles long, great virgin timber-tracts of immense value, and the possibility, almost certainty, of nickel, silver and gold mines, to say nothing of enormous tracts of land suitable for settlement and cultivation. It was a kingdom. In striving for far less, dynasties have risen and been brought low. To win this for the Dominion or for the Province, two political parties contended for ten long weary years. The question was one of the most important ever submitted to the Privy Council, in the matter of geographical relations between parts of the Empire. It was extremely difficult and complex, and had its origins in the rights of France two centuries since, long before the Pilgrim Fathers sailed to the new world in the *Mayflower*.

The astute leader of the Conservatives personally controlled a widespread organization all over Canada. The champion of the Provincial cause took little personal interest in Party organization, was gently spoken, mild mannered, seemingly easy going, yet with a mind of steel. Behind him stood lieutenants of Napoleonic

calibre,—T. B. Pardee, A. S. Hardy, C. F. Frazer and G. W. Ross. To lose the territory would mean that Ontario would soon be relegated to a minor position in the Confederation. To win it finally, after a legal conflict which lasted ten years, in the highest legal tribunal in the Mother-country was the great triumph of Oliver Mowat's life.

Before this matter was settled, political wolves were benefiting by the absence of specific legal fencing. Timber Limits amounting to 25,000 square miles were distributed to supporters of the government at Ottawa —and to brothers, sons, nephews and cousins. Even when the Boundary Case was *sub judice*, Sir John A.'s government issued grants of another half-million acres. After the award had been made by the Imperial authorities and the territory was legally the possession of the Province of Ontario, one hundred and seventy-four permits to cut timber were issued by Orders-in-Council from Ottawa. In all, more than sixteen million acres were given away to friends of the administration at Ottawa. Sir John A. bragged that "he would not give up an acre of land, a stick of timber, an ounce of mineral, to Ontario!"

As an indication of what political life in Canada had come to in the later years of Sir John's administration, the student of Canadian affairs should read the Hansard of the Dominion House of Commons of 1886. It is a revelation. If the record was not there, word for word, confirmed by the departmental returns demanded by the House, such a state could hardly be credited. But there it is.

In the matter of a railway promoted by Mr. Beaty, M.P. for Toronto, for which he had received large government subsidies, he asked the contractors to give him $675,000. In affidavits made by two persons with

whom he was associated in this work, which were read to the House, it was stated that Mr. Beaty not only asked for this sum, but explained that a payment of $100,000 had to be made to a member of the Cabinet, and payments to members of the House as well.

Other instances of railway promotion, though not by any means a complete list, follow:—

Mr. Wood, M.P. for Westmorland, N.B., $76,000 for a railway he was promoting.

Mr. Hall, M.P. for Sherbrooke, $520,000 for a railway he was interested in.

Mr. Ives, M.P., son-in-law of the Minister of Railways, $170,000 for a railway he was promoting.

Mr. C. H. McIntosh, M.P. for Ottawa, $320,000 for the railway he was promoting.

Mr. White, M.P. for North Renfrew, $272,000 for a railway of which he was one of the principal promoters.

The Secretary of State, Hon. Mr. Chapleau, $160,000 for his railway.

Dr. Bergin, M.P. for Cornwall, $260,000 for a railway he was promoting.

Mr. Montplaisir, M.P. for Quebec, $300,000 for a railway he was interested in.

Hon. J. H. Pope, Minister of Railways, $2,250,000 for a railway through the State of Maine to Montreal, which he was constructing and, in addition, $146,000 for new rails on an old road which he owned.

Here on the official records, too, are the details of the sale of sixteen million acres of land at one dollar an acre, on easy terms of payment to boot, and leases of two million acres of pasture land and ranch land at one cent an acre, to members of Parliament and their friends.

I have attended meetings of the Parliaments, by whatever name they may be called, in many Capitals

in the world, in Europe, Africa and Asia. I have discussed such matters with those who were familiar with all the business transacted and the measures passed of the especial type mentioned above. And I have been assured, that in all these representative bodies there was no single instance of a member of such being interested in, or receiving any money voted by such assembly, beyond the usual sessional indemnity.

What a comment on the way things have been done in Canada!

Is it any wonder the Sardonic Humorist was taking no chances that the dice should not be loaded against his political opponents in the coming election? He dared not face defeat. If the Liberals were returned to power, and Parliamentary Committees, or Royal Commissions followed, as would certainly be the case, not only would the Tory Party be more hopelessly wrecked than before, but impeachment and even prison might not be impossible for some men high in public life; yet, if only a few years' delay were gained, death would certainly seal the lips of many witnesses.

And against this corruption and wholesale bribery, against "Gerrymandered" constituencies, and unfair voters' lists, and against the influence of the Canadian Pacific railway, then unblushingly exploiting the country in every possible way, dispensing favours far and wide, the Liberals fought the General Election of 1883 and 1887 with a campaign fund of $16,000 for the two elections. They fought not only for themselves: they fought for their robbed and debauched country. Blake and his fellow-Liberals strove against these tremendous odds magnificently. And when the smoke of battle had cleared in March, 1887, the two sides were not so very unequal in strength.

XXIV

ELECTION, 1887

Prior to the Election of 1887, the current of public feeling had been running strongly against the numerous indiscriminate grants of "Timber-Limits," by the Tory Party then in power. Some of these lands were immensely valuable, and the matter had reached the proportions of a serious scandal. For instance, in particular, a grant made to J. C. Rykert, M.P. for Lincoln, had been sold to an American lumbering firm for $200,000. It fell to my lot to make enquiries at Detroit into this deal, when I was shown the cancelled, or redeemed, notes. Certain circumstances, connected with what might be called "cold feet" nowadays by the principals concerned, prompted the exposure of the affair. I came home from Detroit with all the papers in my pocket, determined to use them at a big meeting of Mr. Rykert's supporters which was being held in the Opera House in St. Catharines, with Hon. Thomas White, M.P., as the government representative. These mixed meetings were always interesting, and often extremely exciting. The attending opponent was at a certain disadvantage, as he was followed by the principal speaker, and had no opportunity to reply. Thus he was fair game for a merciless hammering and, often enough, got it. However, it was looked upon as a form of sport in those arcadian days, and the writer's fighting Irish blood always stood him in good stead. Word got around that there would be "fun" at this particular meeting, as Preston and "Tom" White "had

old scores to settle." When it came to my turn to speak, and I had the audience well in hand, I produced these notes, showing the price Rykert had received. Amidst a paralyzed silence I read out the endorsation, and the value of the four notes of $50,000 each. Yet party feeling was so rabid in this constituency that Rykert was elected after all.

There are times when political rancour gives place to other feelings, though perhaps not always, even when the grim Reaper has passed that way. But rancour gave place to other emotions in this case. In the following session of Parliament, a motion was presented to the House directing an enquiry into this transaction. Rykert solemnly stated during the discussion on the resolution that he had not personally profited by the transaction. The evidence before the Committee established that the profits had all gone to a member of Rykert's family, and upon this technicality he had based his denial of personal profit. When the Report came to the House, in which it was stated that Rykert's conduct had been "dishonourable, corrupt and scandalous," Sir John A. rose slowly, amid a most oppressive silence, and condemned Rykert as having infringed upon the "honour and dignity" of the House by his conduct in connection with this matter. Sir John A. practically forced him to withdraw from public life.

Some pity for Rykert, if not sympathy, was manifested even amongst many of his political opponents. In the House were two-score, no better than he, who dared neither deny nor admit their guilt. Sir John A. himself had recommended the Orders-in-Council, giving grants to all of these. Sir John A. himself had denied having received any money from Sir Hugh Allan, fifteen years before. Could Machiavelli have done

better! One solitary sacrifice, that of a back-bencher, was made to the "honour and dignity" of Parliament. The sardonic humorist, Sir John A., and those who could feel equally ill-earned gold jingling in their pockets, flourished their phylacteries, and thanked Heaven they were not as Rykert.

As hinted in a previous chapter, feeling ran high during this election. Passions and tongues were loosed, and personal abuse was often the order of the day. The writer came in for even more than his share. He gave as good as he got—frequently going one better, and often getting his blow in "fust!" Some of these experiences leap vividly to the memory; though they are merely personal recollections, they may not be out of place in this volume, by way of local colour. Sir John A. Macdonald had appointed Hon. J. S. D. Thompson from the Nova Scotia Bench to be Minister of Justice under the Federal Administration. The Hon. J. S. D. was not yet acquainted with all the ramifications of Dominion politics, so he had commissioned someone else to prepare a certain speech, dealing with the second North-West Rebellion. He delivered this speech at a meeting in Haldimand at which I was present; and I was both amazed and amused at the inaccuracies of his quotations from official documents. "The Lord had delivered him into my hand." Knowing that I was to oppose him at a large meeting three days later, I took copious notes, and armed myself with a stack of official documents, with accurate quotations and statistics. At this meeting I was allotted a little over an hour, and answered the hon. Minister beforehand, so to speak. He was intensely annoyed, and accused me of taking an unfair advantage of him and "crabbing" his speech before it could be delivered. True! I had uncorked it and let all the fizz out!

At a Kingston meeting, feeling ran so high that my friends insisted that the Chief of the provincial Police should accompany me on to the platform, where I was to be the sole Liberal speaker against two Tory Ministers and two of their colleagues. The immediate subject of debate was one of those personal matters, which occasionally roused, for a little while, more interest and even bitterness than the wrongs of the country. When I sat down, tired and very hoarse, I had given the erring Minister what I thought he deserved. I could feel that the audience was rather out of hand, and the presence of a couple of hundred excited students from the University anxious to take part in any "fun" going, was not conducive to order. The Minister's colleague, Sir Mackenzie Bowell, good old sportsman that he ever was, kindly passed me some throat tablets. In ear-splitting tones from the back of the hall came, "*Don't touch 'em, Preston, they're poison.*"

Personalities and politics alike were drowned in the hearty wave of laughter that swept over the hall for several minutes. The tension was broken.

On another occasion it fell to my lot to speak against two Cabinet Ministers, one of whom was the Hon. Thos. White (Minister of the Interior), proprietor of the *Montreal Gazette.* The Hon. Thomas, usually urbane and courteous, was indignant, even as Naaman, when Elisha told him to bathe in the waters of the Jordan instead of the rivers of Damascus, at having "that young man" to oppose him, instead of an ex-Cabinet Minister. It happened that there had been a Parliamentary Inquiry the previous session, at which it was established that the *Montreal Gazette* had been paid a very large sum for Government printing, averaging an excess of 42 per cent. over standard prices

for such work. The adequate presentation of these illuminating facts added a piquant flavour to the gathering of the Mighty, and gave "that young man" his innings.

Had the occasion been still later (1921) public records might have been produced to show that in the years between 1911-1921, the *Montreal Gazette* had continued in living up to its early traditions of feeding bountifully from the public trough, to the tune of $800,000. This journal is vociferous in protesting against political patronage merely when it is exercised by a Liberal government.

XXV

"NOW CRACKS A NOBLE HEART"

The General Election was in full swing in February, 1887. This campaign may well be regarded as one of the most significant in the history of Canada. It was a contest of giants as regards personalities. It was certainly a contest of principles. The Conservative party had reached the height of its power and influence. Perhaps it was unconsciously passing its zenith, but to all appearances its position was impregnable. Sir John A. Macdonald had succeeded in having a Franchise Act passed which placed the Liberals in an unfair position where the voters' lists were concerned; the government having the printing of these lists, but providing inadequate machinery for the final rectification of omissions and mistakes, while by the aid of dishonest government officials the names of thousands of Liberal voters were omitted. Yet to this obviously unfair contest the Liberals brought forward as fine an array of candidates as ever appealed to an electorate, and were not altogether without hope of success. Blake's efforts in the campaign were superhuman. With the volume of his speeches before me as I write, I am amazed at the brilliance and sustained power of these addresses, filled with exposures of maladministration on the part of Sir John A. Macdonald's government, and with moving and eloquent appeals for support to all the better elements in the community. The entire amount of the Liberal campaign fund for this election was $8,300.

Yet the forces against the Liberals were stronger than they realized. The group of men led by Donald A. Smith and George Stephen (with their satellites, Thomas Shaughnessy and William Van Horne, late importations from the United States), were prepared to buy their way to power, and determined to control the political destiny of the country, utterly indifferent to what demoralization they might inflict. It was impossible for the Liberals to succeed. The wonder is that the Party was not completely wiped out; especially as this campaign brought to a head the first real differences amongst the Liberal leaders on the question of the tariff. Protection had been in operation for eight years, and had undoubtedly encouraged activity in manufacturing. There were Liberals, particularly in manufacturing centres like Toronto, who hoped to see the Liberal party go beyond a revenue tariff. Anxious not to alienate the vote of the manufacturing interests, they insisted on a compromise on the question of Protection, pressing Blake not to advocate too drastic a change of policy against the established order of the day. Vested interests had come into existence under the policy of Protection. Much was at stake. A settled policy, or in other words, security of tenure, was essential. If change there must be, it should be slight, and not be made without careful consideration of the many varied and weighty interests concerned. Many prominent Liberals from industrial centres, pressed these views on Blake, pointing out that a complete reversal of the fiscal policy which had been originated and pursued under the previous government might create serious commercial complications.

Blake had frequently discussed this question with me. My duties took me all over Ontario, and I was convinced that the majority of the Party, beyond

those under the influence of the manufacturing interests, would insist upon a reduction of the tariff. However, he felt it necessary to conform to the spirit of the times as regards the security of the manufacturing interests. What is known as his "Malvern Speech" had been given before a comparatively small audience on a Saturday night, and as it had not been especially advertised, no reporters were present. On the Sunday afternoon following Blake invited fifteen or twenty leading Toronto men, principally Liberals, to his residence and read them this speech. The consensus of opinion, led by three or four bank directors, was that it should be published at once, although it marked a certain reversal of the fiscal policy of the Liberal party. The speech was hailed ironically by Dr. Tupper (Sir Chas.) as a conversion of the Liberals to the policy of the Tories. Coming so late in the campaign it was probably a disturbing factor, losing support for the Liberal party in the maritime provinces, where an immediate lowering of the tariff was regarded as the only hope for that part of the country, and making no gains in Ontario. It had been thought that Blake could count upon quite a fair proportion of the Irish Catholic vote in the Province, because of his opposition to the incorporation of Orange Order, as well as the outspoken stand he was taking upon the question of Home Rule in Ireland. But he trusted to a broken reed. Some of this important, yet uncertain vote, had gone to the support of Sir Oliver Mowat in the provincial election of the previous month, largely on account of the latter's opposition to the agitation for abolishing the Separate Schools in Ontario. But in the Federal election, most of the Irish-Catholics returned to their old allegiance, though it required the villainies of the Franchise Act, and every other sinister influence in the

country, to save Sir John A. Macdonald's administration.

When the House of Commons assembled after the election, the Liberal party was in a position of extreme difficulty. Edward Blake was nominally still the leader, but had announced his intention to withdraw as soon as a caucus of the party could agree upon his successor. For ten years he had been leader; ten years of most unremitting toil, sparing neither himself nor his followers. No decade to come was to show such a profound change in the economic and fiscal development of Canada as these ten years. Great things had been accomplished, great strides had been taken, a nation had been established. A new economic system had come into being, a new policy had become operative. But, following on the heels of these changes, indeed resultant from them, the Parliament of Canada had degenerated and become shockingly and disgracefully corrupt. Members of the Cabinet were subsidizing themselves from the Treasury for their private enterprises. Members of Parliament claimed the right to, and were given, huge tracts of public lands out of which they openly and boldly amassed huge fortunes by selling to speculators. The Canadian Pacific railway had distributed stock of the parent company, and bonds and stocks of subsidiary companies, among members of the government and to members of the House, thus securing control of the fountain of legislation. Once (in 1872) Sir John A. Macdonald had refused to allow Donald A. Smith to be a stockholder and director in Sir Hugh Allan's Canadian Pacific railway project, whilst he was a member of the House. Now, in 1887, a Canadian Pacific railway Director could be a member of the House, could be a member of the Cabinet, could even be the

Speaker of the House of Commons. No wonder the House passed legislation authorizing annual dividends at 10 per cent. to be paid on Canadian Pacific railway stock out of capital!

The ostensible reason given for the enactment of this legislation was that it would encourage investment in the railway, by the promise of early dividends. The real reason was that six or seven million dollars of stock had been distributed amongst members of the Cabinet and supporters in the House, some of whom complained that they had been loaded up with something that was not worth anything, and that they wanted "the real thing." The proposed legislation would permit dividends to be paid before they had been earned. This anticipation of dividends, which became operative immediately on the passage of the Act, was a matter of grievance to the Directors of the C.P.R. In a letter to the Prime Minister, George Stephen (Lord Mountstephen) complains bitterly that he and Donald A. had to borrow $600,000 to "pay the dividend"—the reference being quite understood by Sir John A.

Is it surprising that Edward Blake sickened over fighting such a mass of corruption in public life? He was an intellectual giant without an equal in Canada, a *chevalier sans peur et sans reproche.* Neither for popularity nor for political power had he wavered from the straight path. His whole public life had been spent in trying to educate the electorate to an understanding of the issues before the country; issues grown into a complexity too great for the understanding of the average voter, who could not realize the subtle forces at work behind the economic and fiscal changes of the last half-generation. It was not that public opinion had failed to support him; but that public

opinion was not free to express itself. Gerrymandered electoral districts, stuffed voters' lists prepared under scandalous legislation, and the flooding of the constituencies with enormous sums of money from contractors—these were the forces that defeated Blake, and after two general elections broke down both his health and spirit. The best twenty years of his life had been devoted to Liberal principles and given to the Liberal party; now someone else had to take up that heavy burden. The Liberal party, in their bitter resentment at his withdrawal, forgot the twenty years of unwearied and unflinching labour in the cause of good government that Edward Blake had given to Canada. His self-sacrifice, his fruitless labour, and his resignation, must ever rank as one of the greatest tragedies of Canadian politics. From a party standpoint the effect was staggering. The Tories knew that for a brief while, at least, the Opposition forces at Ottawa would be disorganized by Blake's resignation. Things were done by government supporters that would never have been attempted had they known that Edward Blake would be in his accustomed place. This was where the first effect of Mr. Blake's resignation was felt by the Liberal party.

I saw Mr. Blake on his return home from a holiday. During years of very intimate political association he had given me his unreserved confidence. In the strain of the campaign I had taken complete charge of his confidential correspondence. I knew his aspirations and his hopes, and his determination to model a government in the Dominion on the lines of the loftiest British Parliamentary traditions. Now the pitcher was broken at the fountain. He was sitting in his library when I entered. In this room he had often explained to me his ideas for the future of Canada.

As I grasped his hand on this occasion he simply pointed to a chair. For a moment the silence was intense. Then he said: "I know you are surprised. I came to this decision alone. My life is too valuable and my time is too short to further engage in the useless struggle with the demoralizing influences in the public life of this country which are the direct outcome of the work of the syndicate. You will not live to see the end. It will take two generations of fighting to rid politics of its effect, no matter who is in power. It is beyond me."

In an official letter to the people of Canada, Edward Blake thus expressed himself upon the situation at a later date, with lamentation and hope that may be well remembered now:—

> "It has left us with lowered standards of public virtue and a death-like apathy in public opinion; with racial, religious and provincial animosities rather inflamed than soothed; with a subservient Parliament, an autocratic executive, debauched constituencies and corrupted and corrupting classes; with lessened self-reliance and increased dependence on the public chest and on legislative aids, and possessed withal by a boastful jingo spirit far enough removed from true manliness, loudly proclaiming unreal conditions and exaggerated sentiments, while actual facts and genuine opinions are suppressed.
>
> "It has left us with our hands tied, our future compromised, and in such a plight that, whether we stand or move, we must run some risks which else we might have either declined or encountered with greater promise of success.
>
> "Yet let us never despair of our country! It is a goodly land; endowed with great recuperative powers and vast resources, as yet almost undeveloped; inhabited by populations moral and religious, sober and industrious, virtuous and

> thrifty, capable and instructed—the descendants of a choice immigration, of men of mark and courage, energy and enterprise, in the breasts of whose children still should glow the sparks of those ancestral fires.
>
> "Under such conditions all is not lost. 'Though much be taken much abides! And if we do but wake from our delusive dreams, face the stern facts in time, repair our error and amend our ways, there may still remain for us, despite the irrevocable past, a future, if not so clear and bright as we might once have hoped, yet fair and honourable, dignified and secure."

Sir Richard Cartwright, the natural nominee in point of outstanding ability, refused to take the leadership. Blake suggested Laurier. This suggestion, which was a stroke of positive genius on Blake's part, was received at first with demur, in which Laurier joined. He shrunk from the task. The situation was difficult, the moment critical. The echoes of the anti-Catholic campaign over the Separate School question in Ontario had scarcely died away. To add the racial prejudice as well seemed a risky policy, and it appeared doubtful if a Liberal French-Canadian could make compensating gains in his own province, with a strong Ultramontane faction rampant in Quebec. Yet once again as in 1841 with Lafontaine, as in 1857 with Cartier, as in 1866 with Belleau, so in 1887 a French-Canadian came to the rescue in the troubled conditions of Canadian politics, bringing the suavity and grace of his race (and greater gifts, as yet unguessed) to the service of his country. Laurier was not well known outside of his own province; yet, long before that first session was over, the Liberals loved him, and were prepared to fight to the bitter end under his banner. As for the Tories, they realized that a new king had arisen in Israel!

As a result of his being elected to the Leadership of the Liberal party, it was necessary for Laurier to visit Ontario to meet the electors, and a series of meetings was arranged. The expense of this was a very serious consideration. There was no fund upon which to draw, as the elections of 1886 and 1887 had exhausted immediate resources, and subscriptions were never easy to get. So, three of us signed and endorsed a note, and a banker in Port Hope (Heaven rest his bones kindly! He did many a good deed which never saw the light of publicity) discounted the note, and thus the expenses of Laurier's first campaign in Ontario were met. Little did any of us then dream that within ten years from that hour the Liberals would not be scratching around for a few hundreds for a Laurier campaign, but that money would be available from so many sources that it would have to be refused, lest it be accepted from an improper quarter.

A short summer campaign allayed the misgivings of Ontario Liberalism as to the suitability of their new Leader. It was brilliantly successful. Laurier captured his audiences everywhere, with his distinguished appearance, his charm of manner, and his beautiful English, rather enhanced than otherwise by the slight French accent he had at the time. So was Edward Blake's choice fully justified.

XXVI

DIVIDED COUNSELS

Nothing gave Sir John A. more concern in the middle of the 'eighties than the situation in the Province of Quebec. Honoré Mercier, the leader of the Liberals there, was developing unexpected strength; whilst he (Sir John A.) knew only too well that under the calm enforced by his dominating personality, the Quebec wing of his own party, the Chapleaus, Langevin, Tarte, Caron and others, were quietly reaching for one another's throats. All claimed the Ultramontane support, however, and as long as that was undivided the Tory party in Quebec was reasonably safe. Sir John A., ever resourceful, and in order to make assurance doubly sure, on a chance visit to London in the winter of 1885-6, took occasion to approach Cardinal Manning with the suggestion that it would be a much-appreciated compliment to the French-Canadians, "Who are a nation of good Catholics," if a French-Canadian could be elected, or chosen, for one of the great positions of the Church at the next meeting of the College of Cardinals in Rome. He followed this move up by requesting the Marquis of Salisbury (with whom he easily came into contact) to solicit the good offices of the Duke of Norfolk with his brother, Cardinal Howard, in Rome, that the matter might be pressed with the Holy See. Home again, he took pains that Archbishop Taschereau should know of the efforts that had been made on his behalf, and also that the information should filter through Quebec. Having made

himself safe, as he thought, with the Catholic vote, he gave the Protestants a little encouragement too, by taking some small part in one of the Hunter and Crossley revival meetings then being held in Ottawa. It probably tickled his peculiar sense of humour!

Sir John A. feared Mercier, who was able, courageous and ambitious; and had only too good reason to fear that his own followers had lost their hold on Quebec. The Liberals captured the Legislature in 1886. Quebec, so long a stronghold of the Tory party, had fallen.

One of Mercier's first acts was to settle the long-vexed question of the confiscated estates of the Society of Jesus, which had been granted to the Jesuits when Canada was under the rule of France. The Estates had been taken over by the British government on the suspension of the Order in 1774, and the revenue was devoted to education, in which the Protestants of Lower Canada shared in proportion to their numbers. The Estates passed into the possession of the Province of Quebec at Confederation. The matter had been left in the air for generations, even the Ultramontane politicians hesitating to touch so thorny a question. But Mercier boldly took the matter in hand. He arranged a settlement with the Order, secured the approval of the Church in Rome to the arrangement, and treated the Protestants with a large and statesmanlike generosity they had not expected. They were allocated an amount largely in excess of what they were entitled to, before the balance was paid over to the Society of Jesus.

The matter was one which concerned the Province of Quebec, but it excited general interest. Strenuous efforts were made by Ontario Conservatives to persuade the government to disallow the Jesuit Estates

Act; but Sir John Thompson, the Minister of Justice, held that the measure was entirely within the right of the Province to pass. The interest in the question was not even confined to Canada. An anti-Jesuit agitation spread to Great Britain, to be voiced both in the press and on the platform; with the result that the Colonial Office asked for an explanation. The Governor-General forwarded to the Imperial authorities an exhaustive report prepared by Sir John Thompson, maintaining the right of the province to deal with the question. Sir John A. Macdonald was more disturbed than anyone else, though for a different reason. He feared that Mercier's action would give to him the undivided support of the Catholic Church, which would mean the rout of the Tory party in Quebec. It was rumoured at the time and proved later, that he intrigued to bring about a disagreement between the Lieut.-Governor of the Province and the Legislature. His interference turned out to be unnecessary. The indiscretion of Mercier's own friends brought about his downfall, and the Tories back to power in Quebec. Mercier, his heart broken, died a few years later.

But the whole question was seized upon as an election issue by the Orange Lodges in Ontario for another uplifting of the "Bulwarks of Protestantism" against Laurier, as well as against Sir Oliver Mowat and the Liberal party generally. According to these fire-eaters, Laurier was a Frenchman and therefore a Catholic; he was a Catholic and therefore a Jesuit; he was a Jesuit and therefore would endow the Pope with Canadian lands; even as Honoré Mercier was endowing the Jesuit Order with public money from Quebec! The fact that neither Laurier nor anyone else in Federal politics had anything to do with the case was not allowed to interfere with the force (?) of

the argument. As a dust-raiser it may have had something to do with obscuring a very momentous issue, in Ontario at any rate.

* * * *

For some time past there had been a movement in both Canada and the United States toward better commercial relations. It had been advocated in the latter country, under the name of Commercial Union, by Erastus Wiman, a prominent New York capitalist. The Canadian idea was more cautious and limited, and was called by those Liberals who were in favour of it, Unrestricted Reciprocity. It cannot be claimed that the party was united in this matter. Sir Richard Cartwright believed in an immediate reduction of the tariff between the two countries. Edward Blake, at first no more than doubtful on the general question, thought it should be gradual. It may as well be admitted that the differences between these two became more acute than was good for anybody. Sir John A. Macdonald took advantage of the situation, and placing the most extreme construction upon the term (Unrestricted Reciprocity), accused Blake, Cartwright and Laurier of coquetting with the idea of annexation. It was about this time that the serious blunder was made of appointing Edward Farrar to be editor-in-chief of the *Globe*. Farrar had recently written an anonymous article for an American periodical, in which he strongly advocated the annexation of Canada by the States. This, in spite of the fact that, some time previously, he had contributed articles to an English newspaper pointing out the total absence of any annexation sentiment in Canada, and expatriating upon the advantages of the close relations between Canada and the mother-country! Farrar played the

part of the stage-villain upon this occasion, as upon others, to my own knowledge. He was an Irishman, educated at Rome for the priesthood; but a cog had slipped and he had turned to the secular side. He was an extremely able man, exceptionally well-informed on all political questions, and a brilliant writer. His pen was at the command of anyone who would pay for it. He never pretended to any principle in public matters, save that he never betrayed a confidence—never revealed information entrusted to him under the pledge of secrecy. Beyond that, he considered himself quite free to sell his services to either party. Formerly, when he was editor of the *Mail*, he once came to me wanting to make an arrangement to prepare the literature for the Liberals in an election then pending. "But, Ned," said I, "What about your editorial in the *Mail* this morning 'going for' us all?" With the utmost insouciance he replied: "Well I prepared the literature for the other side, and I think I can answer my own composition." And he did so, in a very satisfactory manner.

To return to the election. Up to that time Reciprocity was not a party question. It had been a live topic more or less ever since the abrogation in 1866 of the treaty to which the administration under Lord Elgin's governorship had been a party. In the early part of this particular campaign Sir John A. had stated that the *Washington government had invited him to send

*Addressed to the Press Association at Washington:

"I authorize you to contradict the rumours you refer to. There are no negotiations whatever on foot for a Reciprocity Treaty with Canada, and you may be assured no such scheme for Reciprocity with the Dominion, confined to natural products, will be entertained by the government. We know nothing of Sir Charles Tupper coming to Washington.

Yours very truly,
(Signed) James G. Blaine,
Secretary of State for
the United States."

Sir Charles Tupper there to discuss Reciprocity, and that the representatives of the Canadian government would leave Ottawa on the 4th of March for Washington. The idea of Reciprocity meant an exchange on the basis of natural products. Unrestricted Reciprocity would include certain manufactured products. The latter was never a "safe political investment," though it was an honest attempt to solve certain economic problems in Canada, which had long since been more emphasized than alleviated by tariff nostrums. Looking back from the distance of a quarter of a century, one realizes anew the sincerity and courage with which the Liberal leaders tried to deal with this problem. Events proved it to be insoluble. And it split the party badly. Edward Blake was not a candidate in this election (1901), having refused the nomination in his old constituency. An election without him was a phenomenon which aroused both comment and uneasiness in the party. Why was his voice silent? What change did this portend?

Behind the scenes a spectre had indeed arisen! Nothing less than a possible disruption of the party on this question of Reciprocity. Blake could not go with his colleagues in the matter. Some of us knew his views, and knew, too, that the feeling of political honesty which had been the guiding principle of his life was urging him to speak out. Laurier and Cartwright, on the other hand, pointed out to him that to differ on an essential question of policy at such a juncture would not only discredit his party, but would ruin any possible chance of success of a policy which they sincerely believed to be for the good of Canada. It would also give their opponents excuse for still more virulent accusations of disloyalty against the mother-country. To Cartwright and Laurier, Reciprocity was

the only antidote to the capitalistic interests which they feared might strangle the life out of the country. The question of policy was so vital that Blake was urged with the utmost earnestness to hold his hand until after the election. A word from him and Liberalism might stagger to its death through disruption.

I had an interview with Blake at his house and telegraphed to Laurier and Cartwright, "Come at once." After an anxious consultation at the Rossin House early the next morning, Laurier went to see Blake. Cartwright and I awaited his return, one, two, three hours. At last Laurier came in: "He will say nothing till after the elections."

But the night of the elections Blake sent to the papers an open letter to his one-time constituents, which startled all Canada the next morning. In it he disassociated himself from Cartwright and Laurier and the policy they championed. It can be imagined what a sensation this letter created, quite overshadowing the result of the election. It definitely and effectively marked Blake's retirement from Canadian public life. Only those who were in the thick of the fight can have the slightest idea of the bitterness of that hour. The rank and file of the Liberal Party never forgave Blake. As for the Tories, whatever comfort they might have taken in his withdrawal from public life, such a comment upon what they themselves had made of it had the most deadly significance! The Liberal Party might feel itself wronged by this desertion of its leader in a crisis. Sir John A. Macdonald and his party could not but feel themselves spurned.

It cannot be insisted on too strongly (especially to the later generation for whom this book is written) that there never was any annexation sentiment in this country. There never was but one real annexationist

in Canada, and that was Goldwin Smith, the famous Oxford professor, who made his home in Toronto for many years. Away back in the seventies, while at Oxford, he had quarrelled with Disraeli and others of like Imperialistic persuasion, out of which had developed a mutually acute personal animosity. He was violently prejudiced against Imperialism in any shape or form, and he gradually became obsessed by the idea that Canada's destiny was annexation to the United States. His efforts to impress his views upon those of the younger generation with whom he came into contact were almost pathetic; and any opposition expressed to his ideas distressed and angered him. His correspondence, published after his death, proved how completely this obsession had warped the cast of an extremely brilliant mind. Late in his life he realized that the only annexation sentiment in Canada was around the hearth of the "Grange," the noble property which he had inherited from his wife, and which at her request he bequeathed to the City of Toronto, while leaving his entire personal fortune to an American university. Goldwin Smith was sincerely convinced of the futility of artificial trade with England, even on the lines of Imperial Preference. He was ardently in favour of better trade relations between Canada and the States. He was deeply incensed at the communications in certain English newspapers, to which reference has been made; and he actually paid Farrar to answer his own articles through the medium of a New York paper! I often went to the "Grange" to talk politics with him. The last time I was there he offered me $60,000 to organize a campaign in favour of annexation, and to get certain prominent Liberals to express views favourable to the idea. I never went again.

XXVII

ON THE DOWN GRADE

Between 1883 to 1885 the Federal Tory Party may be said to have reached its zenith. Thereafter began a decline culminating in the great chieftain's death in 1891, which was followed by collapse, discredit and demoralization.

The Liberals met Parliament in splendid form (1891). Laurier was at the head of a most brilliant Opposition. He had started by breaking the almost solid Tory "bloc" in Quebec, though the significance of this was hardly then appreciated. And the end of Tory government in Canada could be clearly seen.

Just before the dissolution of the previous Parliament (1887-91), Liberals had forced a series of investigations into government expenditure, with the usual exposure of maladministration. The excessive expenditure in connection with the repression of the second Riel Rebellion had also come under adverse criticism. But what then roused the most unfavourable comment was the exposure of the wholesale looting of Indian camps by the direction of General Middleton, who was the chief beneficiary in an enormous confiscation of valuable furs. The incident gave point to the quiet agitation which had been going on in the country, that no more British officers should be attached to the Canadian militia.

But with the opening of the new Parliament worse was to follow—an exposure which was to drive the last nail into the coffin of the old Tory Party. For many

years Sir Hector Langevin had been Minister of Public Works, dispensing huge contracts with a lavish hand. Corruption was more than suspected, but nothing could be proved; until information was given to J. Israel Tarte, a prominent Montreal Tory, which positively implicated Langevin's department and pointed to enormous systematic frauds in connection with the contracts for public works. At first Tarte, like a good Tory, submitted his proofs to Sir John A. Sir John A. refused to allow an attack to be made upon his colleague. It will be remembered that Hector Langevin had been one of those who, with Sir John A., was a recipient of Sir Hugh Allan's favours in the Pacific Railway scandal of twenty years before. The fellow-conspirators of 1872 were not going to quarrel now at the bidding of an upstart like Tarte!

So Tarte, fiery and indignant, took his deadly information to Laurier. A Parliamentary Committee was demanded by the Liberals. Langevin, Minister of Public Works, was impeached, together with Thomas McGreevy, M.P. The subsequent revelations were astounding. There had for years been fraudulent manipulations of contracts, with the Minister's connivance. These frauds were carried out in the most brazen-faced manner, particularly in connection with the Esquimault and Point Levi Dry Docks. For example, earth excavations were calculated at rock prices, with fraudulent engineers' certificates as to quantities. Every possible nature of fraud had been perpetrated upon the Treasury, together with evidence of huge subscriptions for election funds in return for contracts. McGreevy, who had had a certain notoriety in the old Canadian Pacific scandal was the go-between for the contractors with the Minister. To McGreevy's credit it must be said that he assumed the whole of the

responsibility, with the idea of saving the government. Langevin escaped prison. But McGreevy with his accomplice, Michael Connolly, were convicted on trial by a jury, and sentenced to twelve months in jail.

It became evident even before the full exposure was completed that Sir John's long tenure of office was fast drawing to an inglorious end. The public conscience was at last awake, and "Ichabod" was written across the record of his government. By the irony of fate the coup-de-grâce had been given by one of his own party! And amidst these exposures, a Hand more inexorable and unflinching was weighing him down. Taken ill before the House had been in session a month, Sir John A. passed away on the 6th of June, 1891. His light went out leaving ominous clouds hovering over his party. No one will deny that Sir John A. Macdonald had not his great side. He was a fine administrator, and a past-master in the art of combining and ruling men. He took fortune at the flood-tide, never making a mistake as to the happy hour. He was bold and imaginative where others were timid and distrustful, and he was never hindered by the scruples which govern the conduct of most men. Yet on the roll of his bright deeds are many sinister blots. The evil that he did lives after him.

With his death, the mind that had planned the fortunes, and the hand which had directed the destiny of the Tory Party was gone. All these years he had stacked the cards and played a lone hand; he trusted no one even in minor matters. In Upper and Lower Canada and in the wider field of the Dominion he lost sight of nothing likely to affect his hold on office, from trying to influence the choice of a Cardinal's hat in order to curry favour with the French vote, to intriguing with his own appointees, the Lieutenant-Governors

of Manitoba, Nova Scotia, Quebec and New Brunswick, for the purpose of making complications with their Ministers to the disadvantage of his political opponents. Letters which have come to light place him now in a more unfavourable light than his bitterest opponent ever tried to do during his lifetime. The difference between a politician and a statesman is painfully evident in the underside of his political record.

While yet the funeral encomiums were ringing in the public ears, a biography of Sir John A. was hastily published; but it could not disperse the shadows already gathering over his name. The utmost the admiring biographer could do, where certain episodes were concerned, was to blame the government—the system more than the sinner.

"Every reflecting man must see that with the heterogeneous elements of race and creed we have to contend with in Canada, government, other than corrupt and truckling, is almost impossible under the party system."

And another reference to the system:—

"The putting of the public conscience under the heel of political expediency . . . is responsible, in the main, for all that we cannot honestly commend in the administration of the deceased Prime Minister—we owe to it the corruption that has disgraced the country and lowered the tone of public life."

Yet the common man saw through the careful, polite phrase to the truth. Sir John A. himself was the system. However much he may have felt this shackling him in moments of nobler ambition, he held to it to the last. By that means he ruled men, through their lower passions of greed and personal ambition. That "larger love, diviner dream than the fireside one,"

which those should have who enter public service was *never* his.

And those who had that dream, who were animated by the spirit of self-sacrifice in their public life, he sought to break and ruin. He tricked them, intrigued against them, belittled them, pushed them aside, and he set his deadly and debasing stamp upon those whom he persuaded to work with him. After him came the deluge, and no followers were ever left in worse plight than the remnants of the Tory Party after his death. Helpless, hopeless, discordant, disgraced, they were led successively by Sir J. Abbott, Sir J. S. D. Thompson, Sir Mackenzie Bowell, and Sir Charles Tupper until the elections of 1896, when the once great Tory Party was overwhelmed in the inevitable cataclysm.

XXVIII

"There's small choice in rotten apples"

After Sir John A.'s death, Sir J. J. C. Abbot reigned in his stead for a few brief months. At his death, the tending of the flickering fire on the Tory altar passed to Sir John Thompson. Apart from the prejudice against Sir John Thompson, because of his having gone over to the Catholic Church, public opinion looked to him with some hope for an honest change in the methods of administration. Many Conservatives would have rejoiced to see a breakaway from the old order. The better elements of the party knew that things could not go on forever as they had been. To do so was to court disaster. The hope was freely expressed, "There will be clean government now." That was easier said than done! The shackles that the old chieftain had forged were not so readily cast aside. Sir John Thompson introduced a Redistribution Bill worked out on the old lines of partizan cunning, calculated to secure his government such advantage at the polls as did the "Gerrymander" of Sir John A. Macdonald ten years before. Every hope for a reformation vanished. All thoughtful Conservatives knew then that they were heading straight for the breakers. Sir John Thompson had proved that he did not possess the courage to rid his party of the base elements which had already covered Conservatism with odium. Whether he might have done so later, had he been given the chance of power, is a question which those who knew him would gladly see answered in the affirmative.

He took a brief part in the beginnings of what afterwards developed into the Colonial Conference. Perhaps some vision was vouchsafed to him that fatal day at Windsor, quickening the pulses of an older man, wearied and anxious. And with it—death.

In 1894 MacKenzie Bowell became Prime Minister. By that time the party had quite "petered out"; the tail wagged the dog. Half the Cabinet wanted to get rid of him; and he had not the pluck to dismiss them. The insults flung at him by his colleagues would have disgraced a meeting of bar-room loafers. He threatened to resign, and seven of the members of his Cabinet did so to make his position impossible. Sir Charles Tupper, then the High Commissioner in England, came home to patch up the quarrel amongst the "Nest of Traitors," as the pleasant groups of Cabinet Ministers called each other! And it was at Sir Charles' suggestion that a government measure was introduced, designed to light again the flames of racial feuds and passions all over the country. By this same means the old chieftain had so often "divided and ruled," had confused clear issues and darkened counsel, had profited when honest men fell out.

This was the so-called Remedial Bill, a remedy more dangerous than the disease. Some ten years before the Provincial Government of Manitoba had enacted legislation abolishing the Separate School system in that Province. It was claimed that the system had been permissive, and that the abrogation of this permission was a matter within the rights of the Manitoba Legislature to deal with; further, that the question of the rights of the Catholic minority in Manitoba were not on a par with those of the Catholic minority in Ontario, and that the provisions of the Act of Confederation under which Separate Schools

were established and maintained in the older Province could not apply to a Province not in existence when the Act was passed. The decision of the Privy Council, to which the vexed question was duly passed on in the course of time, was to the effect that the Catholic minority had a certain limited right to its Separate Schools, though the Provincial government could abolish them; and that under certain circumstances the Federal government could enact a law which would bring the new Provinces into line with the Separate School provisions of the Act of Confederation. The position, therefore, was far from being clear on some points. There was one ground upon which there could be effective manoeuvring—that of Provincial Rights. If the Federal government could override the Provincial, where would it end? Sir Oliver Mowat, in Ontario, had held himself bound by a bargain. The young Province of Manitoba contending with eyes lifted to a vision of a coming generation, united, not separated, by the school influences of early impressionable years, declared through its leaders that its hands were not so tied.

But the dying Tory government took a gambler's chance in the hope that which ever side Wilfrid Laurier took in the coming Federal elections would get him into difficulty. The Orangemen in Ontario were always on the look out for trouble, and had the "shillelagh" handy. The Catholic vote was solid for the Church. At least, this was the Tory belief.

Yet behold! There was no difficulty, but light. As did the "Little Tyrant" of Ontario (will older readers of this chronicle recall that phrase, designed as an insult, but used with love and pride by Sir Oliver Mowat's friends)—so now did Wilfrid Laurier confound his enemies by the high statesmanlike ground

he took. In a wonderful four-hour speech in the House of Commons, really his Election Manifesto, and which ranks as one of the greatest masterpieces of Parliamentary oratory in this country, he made the situation crystal-clear to the whole waiting country. He held that Manitoba had acted within her constitutional rights where the Separate School abolition had been concerned; and that, if Federal authority could overrule that province in such a matter, what guarantee was there that the same authority could not by some technicality, over-ride Ontario or his own province to-morrow? . . . Confederation itself might be in danger if such overruling were held to be in order.

Laurier's logic was unassailable, judged from the standpoint of a statesman, but it did not suit the clergy of his Church. They were only too anxious to have the Remedial Bill passed which would establish the Separate Schools in Manitoba, even at the risk of complications in the future. But the French members in the House would have had short memories indeed had they failed to recollect the fact that the Orange Order (of which the Prime Minister himself was the acknowledged leader) had been insistent in its demands for the abolition of the Separate Schools in Ontario. They considered it the better wisdom to oppose the short-sightedness of their Church. The Bill did not become law. But it was left as a promise for use in the coming election to whip the Catholic vote into line.

* * * *

The session of 1896 was memorable as being the last occasion upon which a Conservative Cabinet would sit on the right of the Speaker for sixteen years. Practically a new generation should arise before this

would happen again, little as it was dreamed of then. No comment on these historic days would be complete without a brief reference to one who had passed in and out of the House for a quarter of a century—Sir Donald A. Smith. He announced in the latter days of the session that he would not be a candidate in the approaching election. When he first entered Parliament he was unknown. Now he was a character to be considered. His wealth was colossal, mostly through the Northern Pacific. It was believed that the Canadian Pacific would become equally profitable. Through the good offices of George Stephen (Lord Mountstephen) he had become reconciled with Sir John A. Macdonald five or six years before the old chieftain's death. But with many of the "Old Guard" he was anything but *persona grata*, although every one of them had profited by his election subscriptions, or were indebted to him personally. Not a few wondered whether "the old fox" was not casting eyes at the rising star (Laurier) on the other side of the House. Certainly no one had any faith in his political honesty. Those who had been accepting his bounty for eighteen years wondered what scheme of exploitation he might be then maturing. They had not long to wait to find out.

With Sir Charles Tupper's acceptance of the Premiership in place of Sir Mackenzie Bowell, who was being forced out by the Cabinet Cabal, the new Prime Minister offered Sir Donald A. Smith the High Commissionership in London. Before leaving for England, Sir Donald A. sent a cheque for $35,000 to the local committee having charge of the organization in the constituency he had represented in the House of Commons, to pay the expenses of the party nominee; and at the same time remembered the general campaign to the tune of a cheque running into six figures.

With these evidences of goodwill he cut himself adrift from his Tory associates for sixteen years.

Political and financial circles wondered what attraction the routine of the High Commissioner's office could possibly have for Sir Donald A. Smith. And well they might. The details of extending trade relations between Canada and the United Kingdom, or endeavouring to solve the Immigration problem, were matters of trifling import in contrast with the questions he was accustomed to deal with. The general consensus of opinion, however, was that his personal interests would not be overlooked.

The efforts of the Canadian Pacific magnates to get possession of the Intercolonial railway should now be chronicled, if only by a passing notice of a scheming which went on for years. In the middle of the 'eighties the Minister of Railways, of set purpose, piled up staggering deficits in the management of the Intercolonial. This was followed by a chorus from a number of newspapers influenced by the C.P.R. to the effect that, "This incubus must be got rid of at all costs." George Stephen and Donald A. cautiously intimated that they might, as a special favour, take the incubus off the hands of the government. The Liberals saw the grab in prospect, and protested vigorously against the move.

But the government management of the railway became every year still more ruinous and discouraging. Finally Stephen and Donald A. threw circumspection to the winds, and boldly set sail to capture the prize. To Sir Mackenzie Bowell can be given the credit that they did not. When Sir Charles Tupper became Prime Minister and Sir Donald A. went to London as Canadian High Commissioner, the "grab" of the Intercolonial by the C.P.R. seemed on the point of being

consummated. Believing that Tupper would win the elections, a prospectus to bond the former for £7,000,000 ($35,000,000), *to be guaranteed by the Canadian Pacific Railway*, was actually printed in London. The patriotic "Empire-builders" were to be the beneficiaries of the bond issue, and the railway was to be handed over to the Canadian Pacific railway Company. But the defeat of Sir Charles' government in Canada finally closed the door against that particular attempt at aristocratic highway robbery.

In later years Sir Donald A. inveigled Sir Wilfrid into supporting his All-Red-Route steamship proposals, and actually got the Colonial Conference committed to suggested Imperial and Colonial subsidies amounting to $5,000,000 annually for twenty years. Lord Strathcona, as he was at this time, promised to promote a syndicate to carry the project through. In this case he could have sold stock to cover enterprise with the prestige of his name, and the promoters would have profited to the full amount of the subsidy ($100,000,000). But by this time others had learned how to wield a knife as well as himself. The project collapsed.

Immediately on the prorogation of the last session of the Parliament of 1891-6, Sir Charles Tupper was called on by Lord Aberdeen to form a Cabinet, in succession to Sir Mackenzie Bowell.

Sir Charles Tupper was by long odds the best equipped mentally of the brilliant Tory group contemporaneous with Sir John Macdonald. Had he been less able his rôle on the political stage of his time might have been much more important than it was. Other men with not a tithe of his ability played less subordinate parts. Possibly the fact that the old Chief would never tolerate a rival had something to do with it, and Tupper was not the first nor the last

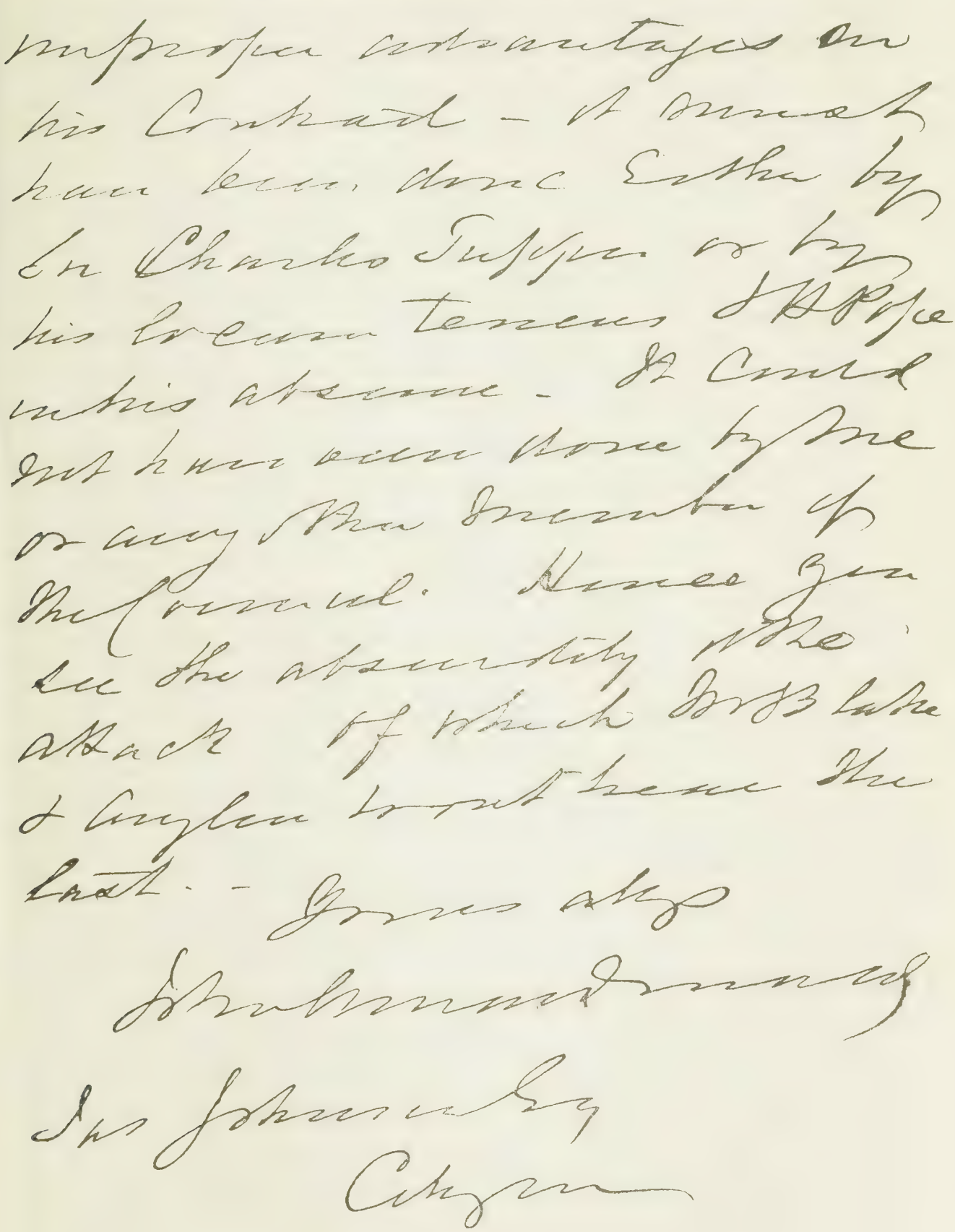
who was made use of in Sir John's schemes and than manoeuvred to a position in which he had little scope and less credit.

In the House of Commons before Confederation he was the only representative of Nova Scotia who was in favour of the Union of the Provinces. Yet his influence forced his Province into line. He was staggered by the Pacific Railway scandals of 1872-3, but when he decided to condone the conduct of the leaders of his Party he brought boundless courage and resource to the task, and went further than anyone else in defending what had been done. When it was thought that Sir John A. might be forced to retire from the leadership of his party because of the scandal, Tupper was one suggested for the position. One can imagine how quickly anything of that sort would "settle his hash" in the mind of Sir John A. He could never afford to "fire" Tupper; but there is evidence in his own writing that he tried to harm him. Yet, in this galley was Sir Charles doomed to remain.

He was capable of taking the broadest view of public questions. His vision was sanguine and statesmanlike. He had the most boundless faith in the North-West, and boldly predicted the time when two hundred million bushels of wheat would be harvested west of Winnipeg. In fact, Sir Charles' brilliant imagination and forcible speech sometimes led him into the realms of fancy, and "Tupperisms" became a term of reproach and were bye-words with his opponents. No sneers though, had any modifying effect on either his manner or his matter, and expressions of doubt merely served to inspire him to greater efforts.

In 1883 Edward Blake received information leading to the conclusion that there had been extensive frauds perpetrated by a firm of contractors, Shields & Mac-

donald, with the connivance of the Department of Railways. In explanation of the matter Sir John A. Macdonald wrote that if the firm in question got any



Yet a most commendable characteristic, and the one through which his memory is kept green by friend and foe alike, was the utter absence of personal animosity in his make-up. Be the quarrel ever so bitter, be the heat of personal polemic ever so fierce, the door was never shut against reconciliation where he was concerned. He refused to waste his energies on enmity.

Sir Charles was sworn to office on January 15th, 1896. The task to which he had set himself, of attempting to rehabilitate the reputation and repair the fortunes of his party might well have seemed herculean. But he never faltered. The Cabinet he presented was scarcely entitled to respect, much less approval. In it was hardly one (excepting his son, Sir Hibbert Tupper) above the mediocre. It was tragic to see this fine old fighter, who had been relegated to a back seat for many years (one can hardly suppose altogether of his own choice), practically hamstrung when his great chance came. Nevertheless he faced the electors with all his wonted courage and optimism. As his old dead chief had done, he called to heel all the available forces of Church and State. The Catholic Church was incited and encouraged to warn electors against Laurier, who was held up as having betrayed the rights of the Church. Father Lacombe, one of the most able and highly respected of the clergy in the West, wrote to Laurier in a vein in which the covert threat is only too evident:—

> "I inform you with regret, that the episcopacy "as one man, united with the clergy, will rise to "support those who may have fallen in defending us."

In the campaign in Quebec, Archbishop Langevin published his views as:—

"When the hierarchy has spoken it is useless "for any Catholic to say the contrary, for if he "does he is no longer a Catholic."

A pronunciamento from the united clergy was read in the Quebec churches during the election campaign, declaring:—

"All Catholics should vote only for candidates "who will personally and solemnly pledge them- "selves to vote in Parliament in favour of the legis- "lation giving to the Catholics of Manitoba the "school laws which were recognized as theirs by "the Privy Council of England."

Bishop Lefleche went one step further in his Diocese:—

"Under the circumstances, a Catholic is under "pain of sinning in a grave matter who votes for "the chief of a party who has formulated publicly "such an error."

The Bishop of Antigonish, in Nova Scotia, took a hand in the Quebec embroglio, by stating for the information of his flock:—

"I am officially in a position to declare that it "is the plain, conscientious duty of every Catholic "elector to vote for the Conservative Candidate; "and this declaration no Catholic in this diocese, be "he priest or layman, has the right to dispute."

The Conservative Press in Quebec joined in the denunciation of the Catholic Church, belabouring Laurier as a traitor to his race and to his religion. Through all this religious uproar, the like of which had never been heard before in the history of Canada, Laurier remained perfectly calm, never losing his balance. That characteristic of his of never giving any expression of ill-will or impatience, stood him in good stead. Quietly and sanely he discussed the

merits of the case from the angle that the majority of the House of Commons which would coerce Manitoba to-day, might attempt to coerce Quebec to-morrow. He "would fight to the death before allowing such a precedent to be established." Again he said:—

> "Even though I have threats held over me from "high dignitaries, no word of bitterness shall ever "pass my lips as against the Church. I respect it "and I love it."

But the still small voice of the ballot dropping softly in the boxes all over Canada swept torrent-like all else away, and on that June night Sir Charles recognized that fortune had deserted him. When the ballots were counted in the Province of Quebec the Liberal chief had carried forty-nine seats, and the Conservative leader had only sixteen. The political power held by the Tory party for forty years had vanished.

Probably an edge was added to the situation, that at Sir Mackenzie Bowell's house in Ottawa a little party of rejoicing was in progress over "the Downfall of the House of Tupper."

Sir Charles Tupper had still to accept a cup of humiliation from another and more exalted source. There were vacancies in the Senate, on the Bench, and many in the public service to be filled. Sir Charles waited on His Excellency with a long list of Orders-in-Council for the Vice-Regal signature for filling these vacancies. He was told he was not any longer in a position which warranted his recommendations. Official correspondence followed. Lord Aberdeen refused to accept his Prime Minister's advice on the ground that he had not the confidence of the country, and was not in a position to assume the authority in question. Sir Charles responded in a style not remarkable for courtesy. But His Excellency was firm.

Toronto 25 May 77

My dear Johnson

I shall go down
tomorrow night. Have
received your two letters
this morning. I cy
the meeting for the 6th
June in the Evening
— No procession or
dress necessary
The Committee must
see to keeping order
Tickets 4/ pence.
Hotel fare &c.

Yours truly
Lawrence Oliphant

Still, Sir Charles had had a fair innings. In my possession is a letter, in Sir John A. Macdonald's handwriting, dated Toronto, May 25th, 1877, advising friends in Kingston, where arrangements were being made for a meeting at which he and Tupper were to speak: "The committee must see to paying Dr. Tupper's expenses, hotel fare, etc." This was a far cry from the eighteen continuous years of office, with a fine house in London as High Commissioner, and $15,000 a year, to say nothing of a half-million dollars deposited in a London bank by a benefactor who preferred to remain unknown. When Sir Charles went out of office in 1896 his bank-book ran into six figures. Thus, if he never had the whole loaf of leadership with all its possibilities, its triumphs and disasters, he may still be reckoned to have had, in no small degree, worldly success.

XXIX

THE NEW CAPTAIN

June, 1896, saw the old Tory Party dead and buried. Its epitaph might indeed contain a record of great deeds. In that thirty years immense strides had been made, immense wealth created, immense possibilities probed. There were enormous gains in material wealth in Canada. Also, beyond contradiction, there was a lowered standard of political morality. All over the country financial interests were entrenched, with a knowledge born of thirty years' experience of how an administration could be manipulated on behalf of such. For over twenty years Liberalism had looked on at the creation and establishment of a capitalist system, intriguing with, corrupting, and controlling the State.

Into this heritage full of far-reaching problems, and beset with difficulties and perplexities, stepped Wilfrid Laurier, when he was summoned by Lord Aberdeen to form a Cabinet in July. He came into office at a time when there was every fear of an economic depression. Trade languished, manufacturers found no market for their products, agricultural values were lowered, and unemployment was significantly evident. So much was this the case, that soup-kitchens were necessary in large centres of population. The exodus to the United States had assumed alarming proportions (far greater, indeed, than at any other period in the history of Canada), the recognized corruption of the

old government had lowered credit, and the whole country was rent and torn with the sectarian issues, deliberately forced on the attention of the people, in order to divert the public eye from the bad state of affairs at the capital of the country.

Supporting the new Premier was a brilliant, extremely able group, bred and nourished in the hard traditions of a too prolonged Opposition. There were too many years of political injustices to avenge, too many deep-seated personal animosities, which were to bear their evil fruit in the years to come. Laurier's difficulty was not so much to select a Cabinet, as to avoid giving offence to many who had borne the burden and heat of a protracted political conflict, and who were entitled to consideration not, *be it emphasized*, on mere personal grounds, but because of deeply-felt convictions and principles. There was Cabinet "timber" to burn. To weld it into cohesion was the difficulty. Right at the beginning came trouble over the portfolio of Finance. Sir Richard Cartwright was inevitably marked out for it, not only through his services, but by his abilities. For years he had made the subject of finance peculiarly his own. The financial policy of the old Tory administration had been subjected to his criticism, which was as merciless as it was brilliant. The banking and manufacturing interests which had grown accustomed to a hot-house atmosphere of mutual consideration (extremely mutual) under the old regime, felt uneasy at the prospects under a Finance Minister of Cartwright's more rigid principles. This uneasiness was reflected all over the country. There was an agitation to persuade Laurier to dispose otherwise of the portfolio, and backstairs influence within the party itself to the same end. I was well aware at the time that the chief party Whip,

James Sutherland, had been scheming to get rid of Sir Richard Cartwright; either to force him out of public life or to destroy his influence over Laurier. If he could succeed in this it would leave him in absolute control of the party interests in Ontario. Also, it would eminently "suit the book" of the Canadian Pacific railway magnates, of whom Cartwright was the severest critic and most dangerous opponent in the House of Commons. It is within my personal knowledge that Sutherland canvassed Liberals to persuade Laurier not to make Cartwright Minister of Finance, and that he arranged deputations to visit Laurier with that object in view.

Circumstances were too strong for Laurier. Cartwright did not get the portfolio of Finance. It had to be given to another, against whom there would be less deep-seated opposition. I was the one who had to tell Cartwright so. I went to Kingston with a heavy heart, dreading to inflict this blow upon one of the finest souls I had been privileged to meet during my whole life. Cartwright expected the position. No one knew better than he how well he was fitted for it. The memory of the deficits in his department under Mackenzie's administration had always rankled, impossible as it would have been for any Minister of Finance, at that time, to have produced a surplus out of such conditions of depression as existed in 1872. He had never forgiven the bitter taunts of his enemies then. Now, he expected to triumph, to show what he could do. Instead, came the shattering of the hopes and dreams of his whole life! My interview with Sir Richard was the most poignant I ever experienced. He was stunned, utterly broken. Only upon one other occasion have I seen a strong man give way to emotion; I never want to see it again. Yet then, and afterwards,

Laurier had a no more loyal or unselfish friend. Of this metal, pure gold, was Sir Richard Cartwright.

Too, the Department of Justice was a thorny question. To many of the Liberals in Canada it seemed natural that the great jurist of Ontario, Sir Oliver Mowat, who had won all the constitutional battles against Sir John A. Macdonald, should be retained for the Dominion Cabinet as Minister of Justice. Heaven alone knew what legal troubles might not be brewing! In the North-West alone, it was not to be supposed that the Roman Catholic Church would abandon its position on the Separate School question. Sir Oliver Mowat was a tried and trusted tower of strength on knotty problems of law. . . . "Let him be appointed and no other!" said some. So, too, thought Sir Oliver himself. During the campaign in Ontario Laurier had publicly announced his intention of inviting Sir Oliver Mowat to accept an important portfolio in his government, and Mowat had intimated his acceptance. Laurier was in a difficulty. For various reasons, not unconnected with the balance of representation in the Cabinet for the different Provinces, always a source of trouble, it was desirable that Louis Davies, afterwards Sir Louis of Prince Edward Island, should receive this portfolio. The portfolio of Secretary of State was offered to Sir Oliver, who felt and rightly so, that he could not desert his long-established administration in Ontario, for any less reason than to take over the Department of Justice at Ottawa. It was in a mood engendered by this position of affairs that he wrote to Hon. A. S. Hardy, acting as Premier during his absence. Mr. Hardy sent for me to show me the letter. It was in Sir Oliver's own handwriting, recounting his interview with Laurier, stating that he had been offered the

Secretaryship of State in the new government, but that he had refused it, and that he had told Laurier he could take nothing but the portfolio of the Minister of Justice. He congratulated himself that he had not resigned the Premiership of Ontario before going to see Laurier. He then went on to say that I must explain to Cartwright why the portfolio of Finance could not be given him.

This is a plain statement of some of the secret history of that time. After the publication of my recollection of the events of that period, I had some correspondence with Sir Wilfrid on the subject; a portion of one of his letters reads:—

Ottawa, January 1st, 1915.

"My Dear Preston,

"In the first place, please accept my very sincere wishes for the coming year. May God bless you and all your own. . . .

"What is true, however, as you will know, is that all the business men, banks included, and above all, and more insistently than all others, all the business men, I repeat, deprecated the idea of Cartwright as Finance Minister. I was never approached by any official delegation, but in my rooms in Windsor there was a constant stream of old friends, and old foes also, who one and all had sung, and the burden of that song, I may say, was that if Cartwright was *not* at the head of the Finances of the country the new administration would be received by the community with respect and good will. . . .

"In all these stormy discussions there never was an unpleasant word between Cartwright and me. He certainly felt mortified that he did not get the Finance, but after I had given my reasons, which are not at all what you suppose, he took Trade and Commerce in his usual manly way.

"With regard to Sir Oliver's statement about himself, what he says is exactly true. As you are

aware, even previous to the elections it had been understood that in the event of our being victorious he would join the new administration. At my request he met me in Montreal, and when I asked him what portfolio he wanted, he answered, 'Justice.' To this there was no objection, far from it, but I told him that I understood his wish to be to see the government fairly launched, and to then leave us to become Lieut.-Governor of Ontario a few months hence, and that it would be awkward to have a change so soon in such an important department. All this he acknowledged, but he stated somewhat warmly that he could not accept any other department than Justice.

"On this I told him that we would let the matter rest until to-morrow. This I said in order to prepare for a disappointment another friend who had set his heart upon the Department of Justice, and whose heart would be broken if he did not get it. This friend was also at the Windsor. I sent for him and I told him that in view of Sir Oliver's great authority and reputation as a jurist he must make way and accept something. He certainly was most chagrined. He commenced to argue and remonstrate, and upon my remaining firm he ended by saying, 'I suppose I must give way.'

"The following morning I saw Sir Oliver again, and arranged four things:—

"(1) That he would be called to the Senate.

"(2) That he would be leader of the government in the Senate.

"(3) That he would be Minister of Justice.

"(4) That he would be Lieut.-Governor.

"The work of Cabinet making is not an easy one, but I think I succeeded fairly well.

"I read your book these last few days. It is remarkably well written. On this, every one agrees.

"Again God bless you, and believe me ever,

"Yours very sincerely,

(Signed) WILFRID LAURIER."

With these two, Cartwright and Mowat, there was only room for two more from Ontario. Laurier wanted a Minister who lived in Toronto, hoping to secure support from that Tory centre. That hope failed, but Laurier was justified in appointing William Mulock, K.C. (Sir William), to be Postmaster-General, though there were others senior to him in the length of their membership in the House. William Patterson, who had been a member continuously, ever since he defeated Sir Francis Hincks in the Pacific scandal election of 1872, was not elected this time, but Laurier found a seat for him and brought him into the Cabinet. There were some sore-heads amongst the Ontario representatives in the House, as it was felt there were others who should have the same consideration. John Charlton was one who had been promised a seat in the Cabinet. He should always be remembered as one of the foremost social reformers of his day in proposing and urging through the House a certain type of protective moral legislation. David Mills was another of the older men of front rank who was not thought to have been treated fairly. For years he had been the foremost historical and constitutional authority in the House, but was defeated in this election.

It will be realized that Laurier was indeed suffering from an embarrassment of riches, and learning that it is not child's play to wear a crown. Soon, his headquarters at the Windsor Hotel, in Montreal, became the Mecca for all sorts of pilgrims and deputations; some like Solomon, full of wisdom and understanding, anxious only to tender good advice to the new Premier; many with axes to grind; some like the Greeks . . . others, with sinister intent, carefully-cloaked beneath a great concern for the public weal. For a little while it looked as if there would be a pretty storm brewing

against Laurier, but eventually there was general acquiescence in his decisions.

In Quebec the path was also rocky. J. Israel Tarte was of necessity Laurier's first choice. He had been the stormy petrel of Quebec politics for twenty years. In early manhood he had served in the Papal Zouaves under Pope Pius IX in Rome. In Church affairs he had been Ultramontane and Gallican by turns. Once, there had been nothing he left unsaid, that was offensive and derogatory to the Liberals and Laurier. Chapleau, Dansereau, Senecal, Mercier were friends at times; then were denounced as rotten to the core, only to be embraced again. Once he joined forces with Langevin in order to knife Chapleau; ten years later he enlisted with Chapleau to encompass the ruin of Langevin. Langevin's own organ characterized Tarte as "burning with a desire for men's esteem in spite of his past, and raging within under the cruel prick of the scorn with which he feels himself covered even by those who make use of him." Notwithstanding the protests of the old Radicals in Quebec, Laurier gave Tarte the portfolio of Public Works. With Sir Henry Joly, Dobell, Fitzpatrick (Sir Charles) and Sidney Fisher, the Quebec quota was filled. With Fielding (Premier), and Frederick Borden from Nova Scotia, and Blair (Premier) New Brunswick, the remaining gaps were filled, leaving only the Department of the Interior vacant. To Clifford Sifton (Sir Clifford) that Department was allotted. He was Attorney-General of Manitoba at the time Laurier invited him to come to Ottawa, and was the youngest Cabinet Minister. Two old fighters, Joseph Martin and Frank Oliver, resented Laurier's choice for this portfolio. Both possessed unusual ability and were qualified for Cabinet rank. Efforts on their behalf were made to

stir up the French element against Sifton, because of his connection with the abolition of Separate Schools in Manitoba. But Laurier's judgment was final.

It must be admitted that the Liberal Party at the moment was rather barren as to a constructive fiscal policy. Unrestricted Reciprocity had been defeated in 1891. Blake's repudiation of this policy after that election placed the suggestion out of bounds for the time. Undoubtedly the Liberals had succeeded at the polls through a general desire to get rid of boodlers, exploiters and dishonesty in public administration. The election was a demand for a change of government. Yet no administration could expect to retain public confidence without a definite, fixed and aggressive policy.

Laurier called his Cabinet together to formulate a policy. An evening was spent in an informal discussion. Cartwright wanted a reduction in the tariff and a British preference. Fielding, Davies and Fisher were for Tariff Reform, but wished to move cautiously; Mulock wanted a government telephone service and reduced postage; Blair suggested a thorough overhauling of the Intercolonial Railway, coupled with an early extension to Montreal; Tarte had large ideas about deepening the upper reaches of the St. Lawrence, to take the biggest ocean liners to Montreal; Clifford Sifton supported increased transportation facilities as a means of enlarging the gateway to the West, but above everything, he desired a vigorous, wide-flung Immigration policy to speed up the population of the prairies. He alone saw clearly, that the problem of the future of Canada was bound up in the development of the western territories. His convictions were based on a personal knowledge of the possibilities of the West, backed by undaunted courage and intense driv-

ing-power. Laurier told me afterwards that Sifton was given carte-blanche by the Cabinet to go ahead, in the early stages of his administration. It was in the course of this conversation that he made the remark: "Sifton is the ablest of my Cabinet. His Immigration policy will make this country and strengthen my government. You will live to see him Prime Minister."

* * * *

A problem of no trifling importance faced Laurier and his colleagues immediately on taking office. Sir Donald A. Smith had been appointed High Commissioner by Sir Charles Tupper a few months previously. After his defeat Tupper advised him to hang to the position, but Sir Donald cabled his resignation to the new Prime Minister. There was no political offence that he had not committed to defeat the Liberals for nineteen long years. He was a menace to all that was decent in government. The question was whether he could be chained or muzzled. Laurier was firm that Donald A. was less dangerous in London than if in Canada. Therefore he was confirmed in his position. He casually intimated to the press that he would not not accept a salary, but did not say so officially. His cheques were sent regularly. After his death they were found, very carefully taken care of, among his valuables, and, of course, were duly presented to the bank for payment.

XXX

SUCCESS AND FAILURE

Shortly after the formation of Laurier's Government in 1896, Hon. Clifford Sifton, Minister of the Interior, wanted me to take up the work of a special emigration official in London, England, and to be head of the staff there. I was rather surprised, as I had to admit, having no special knowledge of the question, although in the late campaign I had frequently spoken on the necessity of securing a larger population, particularly for the western Provinces. Mr. Sifton's instructions were brief and very much to the point, and being verbal, lost nothing in emphasis: "Immigration we must have. Go overseas and look over the ground. None of the old officials know anything about it. If you can solve the problem or make any reasonable suggestion likely to be successful, it will be adopted. You will have all the money that may be necessary."

No one ever entered upon new responsibility with more diffidence than I, when appointed to be Commissioner of Immigration to Europe. On my arrival in London I reported myself at the Office of the High Commissioner, and Lord Strathcona promptly telephoned me to come to Governor Square. His reception of me was exceedingly cordial, but he expressed some doubts as to the possibility of increasing the interest in Canada, taken in England, and I was quite aware of his opinion that a minor official was good enough to do my work. He cautioned me that officialism was

even more official in England than in Canada, evidently with a more or less kindly desire to warn me not to infringe upon any other official's preserves; and he expressed the hope that I might find my mission agreeable. A dinner followed, at which I was introduced to various well-known Anglo-Canadians.

Very shortly after this His Lordship intimated to me in the friendliest possible way that he was prepared to augment my salary, if I liked. I learned afterwards that he had made the same offer to Jas. A. Smart, the Deputy-Minister. However, and, putting it colloquially, we were neither of us "taking any."

From Hon. Edward Blake, then representing an Irish constituency in the Imperial House, I received a most hearty welcome, good advice, and not a little encouragement. More than ten years had passed since he finished the last chapter of his political life in Canada. While still taking an interest in Canadian politics, but few opportunities were afforded of coming into intimate contact with old political associates. It was to breathe again a familiar atmosphere, that first long evening we spent together. Those of his critics who were so fond of charging him with being too aloof and austere, with no warm humanity about him, would have been amazed to see the evident vibration of his heart-strings as old associations were discussed.

In my mission he was very much interested. His views were most pronounced—that years and years had been wasted in merely perfunctory efforts to secure immigration. His strongly expressed opinion was that unless an increase in the movement of agriculturists from mid-Europe could be obtained, the future of Canada would be far from satisfactory. He thought that as a class the ordinary English emigrant was not fitted to cope with pioneer conditions in the West, and

he doubted that the volume of an emigrating movement from Great Britain would be adequate in any case for the needs of Canada. He hoped that I might be able to turn the tide of continental emigration toward Canada. "These people will remain on the land longer than any others, and will be good Canadians in the next generation," he declared. Then he added, with the utmost impressiveness and earnestness, "Whatever you do, do quickly. It is only a matter of a few years before war will shake all Europe to its very foundations!"

This heart-to-heart talk with my old Chief strengthened my determination to solve the continental problem. Later, when the basis of the solution was laid with the formation of the North Atlantic Trading Company, Mr. Blake expressed his warm approval, and his hope for great things, provided the necessary arrangements would be made in Canada to see the new arrivals properly settled on the land.

Another member of the Imperial House from whom I received many kindnesses was Mr. James Bryce, afterwards Lord Bryce. At first, I was surprised to find him taking such a warm and intelligent interest in my work. He was in agreement with Mr. Blake as to the continental side of immigration. He was a great traveller, very little of importance escaping his observant eye.

My work threw me into touch with the London branch of the Baron Hirsch Trust, a fund amounting to several millions of pounds intended for the assistance of Jewish emigrants from mid-Europe, particularly from Russia. I had several conferences in London with Mr. Lausada, K.C., Sir Samuel Montifiore and a wealthy banker, Mr. A. Cohen, a meeting was arranged to confer with the European Trustees of the fund at

Lord Rothschild's palace in Paris, and discuss the possibility of a large Jewish agricultural settlement in the West. Hon. J. Israel Tarte was in Paris at the time, and I arranged that he also should be Lord Rothschild's guest that evening. A member of the Rothschild family had come from Vienna, another from St. Petersburg, and the whole experience to me was very interesting and suggestive; to see, sitting around the great dining-table, the representatives of a race without a country, yet which well-nigh controls the finances of the world. They talked in millions. The basis of a large plan was arranged. A small company went out to Canada, with the intention of having larger numbers follow. But shortly afterwards, Jas. A. Smart, who had been selected by the Governors of the Trust to oversee the Canadian end of the project, retired from the department; his successor, a man from New York, bungled matters, and the project was abandoned.

When I went into the records of the office on the question of Immigration, very interesting information of the dead and buried type came to light. Recommendations dating from the time of Sir John A. Macdonald's regime had been made, but a spirit of *laissez-faire* had taken possession of everyone concerned and nothing of any account had ever been done. The mere fact that anything might be done seemed to rouse a spirit of resentment. There was an evident hope that I might get sick of the job of trying to stir things up; and that I would go away and let everyone go to sleep again in officialism and peace! It was not an encouraging atmosphere.

I called on all the editors of the leading newspapers. They were kind, indeed cordial. But they did not see how, nor, perhaps, even why, fresh interest could

be created over Canada. Mr. Moberley Bell, of the *Times*, considered it a waste of time to talk about Canada in the great daily; but he was willing to do so, if I thought it would do good. The opportunity for this came sooner than I thought. A correspondent wrote to the *Times*, taking exception to a statement in the press which was favourable to emigration, his communication containing the most absurd statements of conditions in Canada. I wrote to the *Times* in reply, appending my signature and official title. At the time my letter appeared I was a guest at Knebworth, the beautiful ancestral manor of the Earls of Lytton, of which Lord Strathcona had taken a lease. My fellow-guests were deeply interested, and most complimentary that at last there was a Canadian official who could and would reply to the strictures and criticisms of Canada which appeared from time to time in the British newspapers. Little did I imagine what the result would be!

On returning to London the High Commissioner sent for me, and then and there read me a lesson upon officialism; saying that while I was his guest he could say nothing, but now that our official relations were resumed, I must understand that writing to the *Times* to rebut criticism of Canada could not be permitted at all, that it was highly unofficial, and quite contrary to official propriety and must not be repeated. Nevertheless, I had quite necessary occasion to write twice more, contradicting statements which it seemed to me impossible to pass over. After a further display of official indignation from Lord Strathcona I announced my intention of returning home, as I could not carry on the work I was appointed to do in the face of such red tape.

This brought matters to a head. His lordship expressed himself as anxious "to talk things over."

He asked me what I wanted to do. I replied, "My work is to make Canada favourably known throughout the United Kingdom and Europe. I shall not take any course disapproved of by the department. Short of that I must have complete freedom." We had a long discussion, quite amicable. Then in a slightly hesitating manner, as one who had mental reservations, he said, "Have your way—but I don't think it will carry you far."

Our relations remained outwardly pleasant. I was the recipient of many social courtesies at his hands, and frequently dined at Grosvenor Square. I sincerely hoped that questions between us were on a sound basis, and certainly had no reason to think otherwise. But one evening at dinner, sitting beside Sir Thomas Skinner, Deputy-Governor of the Hudson's Bay Company, and, of course, a very intimate friend of Lord Strathcona's, he hinted to me that I was wasting my time in the immigration work in London as the High Commissioner was bitterly opposed to me personally, and jealous of the success of my efforts, and above all, most deeply chagrined that this work had been taken from under his immediate jurisdiction.

It was under these circumstances that I carried on my exacting and difficult work in London for seven years, always under the shadow of criticism and in an atmosphere of opposition. To give Lord Strathcona his due, however, there was one occasion on which I had his cordial support. It was at the time of King Edward's coronation in 1902 when the question came up of a possible Canadian contribution to the decorative scheme in Whitehall, which it was suggested should be carried out on "Imperial" lines. At first his lordship was dubious both of the idea of the arch and of the motto I wanted to have, "Britain's Granary," but

consented to my making a personal application to the Westminster Council, of which Lord Onslow was Chairman. As was to be expected, one official objected: "Mr. Preston only wants to advertise Canada." I retorted, "It will be Canada's greeting to the King, and will cost perhaps $40,000. Everybody will be proud of it." After the plan had been passed and the work started, the department had a fit of economy, and cabled that the cost was not to exceed $6,000. When I showed Lord Strathcona the cable he promptly said, "Go on as you have planned; if the department objects I will pay the difference." He did not have to do so, but I was only too happy to take the will for the deed.

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The inscription, "Granary of the Empire," first appeared on the travelling motor in England instituted by the department, which, and the credit for, and for the magnificent advertisement secured to the Dominion by the motor, should be given to the Deputy Minister, James A. Smart. When King Edward VII visited the Royal Exhibition, 1903-4, I had the honour of specially directing His Majesty's attention to its motto, as evidence of the claims we were making for the potentialities of Canada. We had a pleasant talk in the course of which in answer to His Majesty's enquiries as to what part of Canada had been my home, I said I had seen him lay the corner stone of the Parliament Buildings at Ottawa long since. His Majesty laughingly remarked, "That is too long to remember, hush, hush!" He then brought me to the royal carriage to present me to the Queen, telling Her Majesty the story, with whom we both had some half-merry, half-sad conversation on the flight of time.

Matters drifted on at Ottawa. Then Sir Clifford Sifton resigned from Laurier's Cabinet. To say that my department was orphaned is to put it mildly. His policy was never limited to obtaining agriculturists for the West, however much there might have been the immediate need of these. He had a wider vision. He believed that with a huge general expansion of population, matters would shape better for the country at large. That he was right on this point is proved by the enormous growth of cities like Montreal and Toronto, in addition to the development of the West, during the Laurier regime. As soon as the news of Sifton's resignation reached London, Lord Strathcona sent for me. He intimated in a vague general way that there would be certain changes in the department, without letting me know definitely what was in his mind. He had missed the boat-train, but promptly chartered a special to get him to Liverpool in time to catch the steamer, so as to reach Ottawa as quickly as possible. The first intimation I received of what he had accomplished there was a letter from Laurier expressing his pleasure that all the difficulties between Lord Strathcona and myself were now settled by my consent to have my office again subordinate to the High Commissioner's. I immediately cabled that I had never consented to such a change; nor had Lord Strathcona ever suggested such a thing to me. But it was too late. The Order-in-Council had already been passed. For sheer unscrupulousness, Lord Strathcona's actions in this case would take some beating. My position became impossible. And my work ceased. The new Minister pressed me to remain, but I refused.

My final conversation with His Lordship should be recorded. A last honour which he coveted had been paid him by the Crown, through Laurier; in the

obtaining of which I had taken a large share, at the request of Sir John McNeill, V.C., and A.D.C. to Her Majesty. When I went to say good-bye, I took my letterbook to Grosvenor Square, and showed Lord Strathcona the many letters which had passed between Sir John and myself in the matter, proving to him the thanks he owed to me, amongst others, for the reversion of his title. For once, his voice lost its hard and raucous quality, as, placing his hand on my shoulder he said, "Why did you not tell me this before—our relations would have been so different." My reply was: "Because, when I first saw you after this was done, you met me with a falsehood about it—that you had not sought it, but that it had been pressed upon you. At a time when I hoped we could work together for the good of the country, how could I tell you that you were a liar?" And I left.

By the irony of fate, it was Lord Strathcona's having driven me out of London, which threw me into contact with people in Amsterdam, Capetown and Hong-Kong, from whom I received first-hand information of certain events in his lordship's life, which reflected little credit upon him. Rennie, whom I met in Hong-Kong, told me the whole story of the deal of Donald A. and Hill, with Farley, when the Dutch bondholders were defrauded; Rennie acted as secretary, and was present when the agreement was made to give Farley a fifth share for what he did in the matter. In Amsterdam a leading financier thought the coats-of-arms of the founders of the Houses of Mountstephen and Strathcona should have included the representation of something more associated with the jail than the aristocracy. Their names stand in Holland now for all that is objectionable. There, they simply say, "We were robbed."

I shall not pretend that it was not a severe wrench to leave my emigration responsibilities in England after eight years, in which I was successful beyond my greatest dreams. I had thrown my whole heart into the work, and had succeeded where all my predecessors, Sir Thomas Galt, Sir Charles Tupper, and Lord Strathcona had failed. I had enlisted the entire British press to assist in our propaganda, something which had not been done before my time. I had an organization in every hamlet in Great Britain. I had secured Emigration centres all over Europe, from Norway to the Adriatic, from France to Central Russia. I was circulating millions of Emigration-propaganda pamphlets, in eight or ten languages, in every country where there was a desirable type of emigrant to be reached. The foundation was laid for securing such a movement of population to Canada as had never been known before in history. I knew that with ten more years of this effort the West of Canada should have a population of fifteen millions. This was my work. No one else had attempted to do anything like it. It could not have been done had I not put my whole heart into it. When I left it, even with the machinery I had created in working order, the momentum stopped, and never recovered. The tide was turning towards Canada, the inevitable difficulties in the absorption of such a huge immigration was being overcome. But I can truly say without undue criticism of the policy of those who followed me, that when my hand was taken from the helm the ship lost her drive, her impetus. It was never regained, though in spite of all departmental jealousy and official indifference the results of my carefully-planned propaganda continued to bear fruit for years.

I had kept in the most constant and intimate touch with all the officers and workers under me in England and on the Continent. I never fell foul of a government official in any country in Europe—and it must not be imagined that governments look with perfect equanimity on serious emigration propaganda, even when the pressure of population on subsistence is verging on the acute. There are difficulties which take more than official tact to handle—they take conviction and courage and real honesty of purpose.

My end of the work was splendidly successful. The home end of it halted, after Sifton's retirement, in 1905. The government in Canada was too casual in coping with the development and the immense possibilities of the tide of immigration. There was official jealousy, the usual little things which serve to ruin great plans.

In Trafalgar Square now is a costly block of buildings, very impressive. In it, a costly staff, in spaciousness and red-tape, deals with a careful trickle of emigration, amongst other things, in a costly way. The department is costly because too large a proportion of the expenditure is incurred in providing machinery to prevent certain immigration. If the same efforts were devoted to a constructive policy instead of a restrictive one, the prospects might be more hopeful of increase of population. Sooner or later that increase must be secured, if the Dominion is going to attain its place among the nations commensurate with its potentialities. At Ottawa the immigration is manned with an efficient staff, able to handle an infinitely larger immigration than is dealt with.

Looking at the matter from the distance of twenty years I can see so clearly that the difficulty of the government then was from lack of courage. The

machinery for an enormous increase on the population of the West had been created on the European side. The organization for receiving, distributing and absorbing that increase in Canada, excepting during Sifton's administration of the Department, was not adequate. After he retired, rather than face the situation with courage, initiative and enlarged administrative facilities, the Liberal government allowed itself to be manoeuvred into a defensive and apologetic position; in the face of criticism, it gave way; against accusation, it repudiated its contracts. The government was supine. It allowed the Tory Opposition, for purely party reasons, to destroy the North Atlantic Trading Company; when if all the problems connected with this mass immigration had been courageously and honestly dealt with, this country would now have many millions more of a sturdy agricultural population.

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As an emigration movement took shape, the Atlantic steamship companies increased the rates. Albert Ballin, of the Hamburg-America Line, told me that John Ennis, of the Allan Line, asked him to join the British companies in this proposition. Ballin demurred. Previously, the steerage rate was £3 10s. ($17.50). The Conference raised it to £5 10s. ($27.50). Ennis threatened severe competition against the continental lines, stating, "We have the Canadian government supporting us." This was based on the Allans having the government mail contract. The German companies then joined the Conference. My report to the government on the matter placed me in conflict with the Atlantic Combine. Hon. Clifford Sifton proposed dealing with the subject, but just then withdrew from the Cabinet. In all these twenty-five years the Combine has flourished, and immigrant rates are now $90.

XXXI

A POT-POURRI OF EXPERIENCES

My introduction to public life in England was through the medium of the Eighty Club, at that time a group of advanced Liberals, young and coming men. "Home Rule," the great Gladstone's legacy to his party was always a subject of earnest discussion with this group. Although the party had been rent in twain and well-nigh ruined, the idea of Home Rule, like John Brown's body, was still marching on. Lord Brassey had invited the Club to his beautiful house in Park Lane, to a strictly academic discussion on "Devolution," a term applied to an enlargement of the scheme of Home Rule. The idea was that if Home Rule were granted to Ireland, Scotland and Wales might want it, too, and the question was how these quasi-provincial governments would work out.

Our host's son presented the case for Devolution with all the force becoming a member of the advanced group. Then the voice of the Legal Specialist and Technical Expert was heard in the land. To such, it was a matter of utter impossibility that government could exist at all, given the case that a party of one political complexion might be in power in the provinces, while a party of different conviction was in power in the central administration. *Q.E.D.* With this powerful battery turned on him, our host's son was obviously losing his supporters. I thought of our "Happy Families" in Canada, Provinces and Federal governments cheerfully quarrelling together. Though it was

with a certain diffidence, I rose to speak in response to our host's request. For more than half-an-hour I outlined to an interested audience a sketch of the Canadian constitution, the rights of the Provinces, the rights of the Federal authority. Liberals might rule in the Provinces with Conservatives at Ottawa and *vice versa*, but government still went gaily on. If any trouble arose over an especially knotty point, the help of the Imperial Privy Council was sought in a more or less amicable solution. Consequently, the strongest argument against "Devolution" was defeated and Lord Brassey was quite pleased that his son's side in the debate had proved the stronger. It is interesting to me now to remember that, of the company of that evening, two became Lord Chancellors, and two attained to high positions on the Bench. Incidentally, I learned early, how very little is really known amongst the leading men of the United Kingdom of the inside of Canadian political life.

Shortly after this, I was again invited to address the Eighty Club, in a discussion of the late Joseph Chamberlain's Free Trade Tariff scheme, with Sir Henry Campbell-Bannerman, the leader of the Liberal Party in the House of Commons, in the chair. The subject was debated on its purely theoretical side, with arguments such as one reads in books; when Sir Henry suggested that I should say something about "protection as practised" in Canada, I explained that our question was between Protection and a tariff for revenue only. Protection meant giving manufacturers the opportunity of charging more for their products than they could with a lower tariff. A tariff which would not do that was no protection. Protection had increased manufacturing in Canada, undoubtedly. But the trouble was, the manufacturer never seemed

to get beyond the "struggling infant stage." I gave one instance (a classic with us, but new to my audience) of a "struggling industry" having twenty shares in a capital of $20,000. After twenty years there was a lawsuit to settle the value of three shares, which an executor had sold to himself and of which he had had the accumulated benefit. The shares were valued by the Court at $750,000. This example of increase due to protective legislation, as showing the prices taken out of a community in the hands of a monopoly, made my audience sit up.

Soon after this meeting, the Hon. Secretary of the Eighty Club (Mr. R. C. Hawkin, barrister), with the approval of Sir Henry, invited me to stand for a constituency in England at the next general election. That offer was held at my disposal until nomination day in 1905. But I was deeply concerned with my work in the immigration department, Laurier was strongly opposed to my leaving, and I declined the honour. I often wonder how my life might have been altered if I had accepted that offer. During all these twenty years, with the tremendous changes and vicissitudes they have wrought in England, that constituency has remained true to Liberalism.

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When in the course of my work I had occasion to travel through Germany the first time, there was a certain feeling of uneasiness due to the want of acquaintance with the language. Also, a Canadian immigration agent, John Dyke of Liverpool, had been arrested for carrying on propaganda work in that country, and a C.P.R. official, had been detained by the police under the suspicion of doing likewise. More serious than all,

Lord Strathcona was being looked for by the German police on account of the Hamburg episode. There was not a scrap of paper indicating my official position in my luggage. German army officers certainly, and German Customs officials frequently, were not the most pleasant people to deal with. The former could be dodged as one would shun the plague, for reasons given later. The latter could not be avoided, even if one would. It was always better to open bags or luggage, taking care that everything should be seen, than attempt to be secretive. And no matter how offensive the manner of the official, no resentment, even by a look, dare be shown. German police looked still less approachable than officers and yet never did I ask for information from one of them, but received a polite reply. Once when I tendered a "tip" to a Berlin policeman, it was declined with courtesy. As to the army officer, I soon learned to keep out of his way, whether in trains or on the public streets. The fact that so many people, including many ladies, walked in the roadway instead of on the pavement, was at first difficult to understand. My wife returned to the hotel at Hamburg one afternoon very much upset. She had been hustled off the pavement by officers in a very rude manner. That evening we were having dinner with a German, whose wife was a Swiss Huguenot, educated in England, and the afternoon incident was referred to. The lady of the house turning to me said: "I'm glad you were not there, Mr. Preston," and I replied, "I'm sorry I wasn't." "You'd have been killed, you'd have been killed if you had said a word. You'd have insulted the Kaiser's uniform. They would have plunged their swords into you," she replied most earnestly. Within a few days of this, in one of the largest German cities, a civilian resented just such

an action on the part of a Prussian officer, and was killed on the spot, the officer running him through with his sword. Such was the military spirit in Germany long before the Great War.

For quite ten or fifteen years before the outbreak of the War, every educated Englishman travelling in Germany must have been aware of a strange undercurrent inimical to England and the English, in spite of very careful social courtesies. Even then, there was no secrecy about the fact that the Kaiser disliked the English, and that he blamed an English surgeon for his malformed arm at birth; and that notwithstanding every asservation to the contrary, he held Sir Morell Mackenzie to blame for his father's untimely death. It was notorious that the Kaiser's relations with his mother, the Dowager-Empress, were not what they might be. To justify his attitude to his mother the report was industriously circulated that she had married her private secretary shortly after the death of her husband. The frequency one heard this statement in all circles was astonishing.

It may be doubted whether Napoleon at the height of his glory was more popular in France than William II was in Germany at the period I am dealing with. His lightest word was law, and the atmosphere of adulation he lived in was enough to put a far cleverer man than he off his balance. Although his own particular bubble has burst long since, there is no doubt as to the brilliance and far-sightedness of the men with whom he was surrounded, and who really directed the destinies of Germany. To these statesmen, to give the Kaiser due credit, he gave his countenance and patronage. Every German consulate in South Africa, Japan and China, to my personal knowledge, and notoriously so in Russia and South America, was an active centre

of German propaganda of the most anti-British type. Another ten years of this would have dangerously compromised Great Britain's commercial security. This fact was generally recognized. My own experience in Japan, where the German Ambassador endeavoured to enlist the British Embassy against my efforts to secure direct trade between Canada and Japan, lest my work should interfere with German commission firms in Yokohama, might be given as an illustration of this. It is safe to say that every German Embassy, without exception, was a centre of espionage both commercially and politically.

A story was told me by a wealthy philanthropist in Hanover, whose guest I was on the occasion of my visit to that district, as characteristic of the Kaiser. The announcement had been made with a great flourish of trumpets that he would visit Hanover at a stated date. There was no official of the city to meet the Imperial party at the railway station. The shops were closed, the blinds were drawn down throughout the residential districts and the streets were deserted. An explanation from the Burgomaster elicited the information that the people of the State were still loyal to the Brunswick dynasty, which had been deposed by the Prussians in 1866, when they were driven out of the country and their property confiscated. The Kaiser telegraphed to Berlin instructing that the full value of the confiscated estates be transmitted immediately to the heir of the defunct dynasty, then living in Vienna. It was done; in fact, the Emperor must have kept the telegraph wires pretty well red-hot for a few hours. Anyway, the Prince in Vienna found himself in possession of many million marks next morning. The same day the tidings of the Kaiser's deed reached Hanover, and the city was

en fete and glorious with flags, when the Emperor duly made his re-entry. The staging of that particular play was pretty costly; though no doubt to the chief actor it was worth while.

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In the early part of 1900 I had had correspondence with booking agents in Finland as to the possibility of getting a share of the Finns who were leaving their country, for settlers in the West of Canada. They were a fine race, hardier in some respects than Swedes or Norse. Such matters had my personal attention; and I arrived at Helsingfors (the Capital) on the last day of April. The next morning, walking out of my hotel, I noticed that there seemed to be a good deal of military movement about, Russian soldiers and officers marching in all directions, artillery looking like business. I asked the porter "what is up" and was advised to keep indoors that day; "there will be a riot, plenty people killed." Further questioning resulted in my being told (in quite good English) that this was the last May-day when the Constitution granted by Alexander I would be in force, as the Russian authorities had decided to withdraw the Constitution and put the Province under direct Crown government with General Bobricoff as Governor . . . a sinister omen, as this officer had been connected with savage political persecutions in more than one part of Russia.

The people of Helsingfors were celebrating this last May-day of their liberty by an assemblage and procession of the university students and graduates from all over the province, with speeches in the park. There were over 6,000 young students in their summer uniforms, and their elders, grey-headed men and

women too, marching along together with banners and music to the place of meeting. A rumour went about that the Russian authorities had 200 of their spies disguised as students amongst those in the procession, who would try to raise a riot, and thus give an excuse for turning the guns on the people. Yet no one seemed to be in fear, but profoundly uplifted in a spirit of serene courage, which I, from a free land, felt inexpressibly touching.

In the park, opposite to a churchyard from which the guns were grimly directed upon the crowd, the speeches were bitter and defiant, as I was told by an English-educated Finn who stood close to me. Then the band started to play the Finnish National Anthem. This beautiful National air has since then become known all over the world through its inspired setting by the Finnish composer, Sibelius. I can never hear "Finlandia" without a poignant memory of that day in Helsingfors public park when every head was bare and every face streamed with tears; with the scowling Russians and their guns looking on, while the crowd quietly dispersed. In the large square of the city the statue of the Emperor, who had promised that their Constitution should never be taken from the Finns, was piled with beautiful floral emblems—and not even General Bobricoff dared remove this implied criticism of the successor of Alexander the Good!

I was invited to the big banquet with which the day closed. None but very trustworthy people were there, needless to say, for the speeches would have set the city on fire—as well as making Bobricoff's ears burn. Looking back on it now, how close the dawn was, just one generation away, though no one there could guess it then. Fortunately, too, as still more frightful suffering had to be endured by some of those

then living before freedom could come again to Finland, through the downfall and ruin of the Russian autocracy.

An official visit to Bulgaria was also considered advisable, to make a personal inspection of the propaganda in that country by the Atlantic Trading Company, through which the Canadian government was carrying on the Continental Emigration work at that time. Through the British Consul-General in Sofia, I got into touch with the persons I wanted to see and incidentally learned something of the racial bitterness brewing in that part of Europe. I remember how startled I was with one particular instance, when in making the acquaintance of a very distinguished and charming lady, I was shown the grim memento she always kept by her of her husband's assassination in one of the political upheavals in the Balkans—her husband's severed hand preserved in spirit! This was keeping his memory green with a vengeance. Canadian politics, at their liveliest, were milk and water compared to this!

At the instance of the Consul-General I went on to Constantinople for a week's holiday, going to the British cemetery, as all English visitors do, to see how beautifully kept are the graves of the English soldiers who died during the Crimean War. The Turkish cemetery was painful by contrast, neglected and overgrown with weeds, the most elaborate monument there being for a favourite horse of the Sultan's. We saw the Mosque of St. Sophia and watched the evening sunlight strike that spot on the great mosaic-covered dome, where a little imagination makes one think one can still see the mark of the cross built into the dome in Byzantine times, torn down and overlaid with the crescent when the Turks established themselves in

Constantinople, and Mohammedanism in one of the oldest and noblest Christian fanes in Europe. The most interesting thing was seeing the Sultan, Abdul Hamid (the Damned) going to and from the Semalik, the religious service the Turkish monarch must attend once a week as evidence that he is alive. I saw the procession from the Ambassador's gallery, which overlooks the grand entrance to the royal palace. On the carefully sanded roadway, there passed a gay company of officers in gala attire, the young princes with their suites, the ladies of the Court in closed carriages with the eunuchs in attendance, the easily recognized Heir to the Throne with his brilliant staff. Then from a minaret comes a marvellous voice calling the faithful to worship; and the Sultan appears, rather a contrast to his handsome retinue, a commonplace-looking sandy-bearded man, heavy and dull. After about half-an-hour a beautiful pair of cream-coloured stallions, harnessed to a low open carriage, were led to the door of the Mosque. The guard stood to attention, stalwart servants held the straining horses, the Sultan took the reins and the splendid creatures sprang forward as if they recognized a royal hand. His face was no longer dull, but full of fire and purpose, as his horses strained and plunged their way through the lines of watchful silent soldiery. . . A revelation of personality not soon to be forgotten.

When crossing the Black sea on my way to Batoum, en route to Tiflis in 1900-1, to reply personally to enquiries from far eastern lands, a Russian General, taking a good deal of interest in an Englishman's movements, was kind enough to translate the Boer war news in the papers published at the ports called at every day. He was specially interested in the announcement of a Canadian contingent being sent to

South Africa. He was anxious to figure out the possible military resources of all the Colonies in case Great Britain really wanted assistance in a great war. As I "did not know much about the Colonies," we referred to statistical books of reference in the steamship's library. Finally it was figured out that the British possessions could, if occasion demanded, send half-a-million troops to fight for the Empire. The good General was very excited. Suggesting we should go for a walk, we returned to the deck, and taking my arm as we paced the deck, he said, "All the powers must revise their estimate of England's military strength. This is most interesting." How little I dreamed that I should live to see my calculation, given under such peculiar circumstances, realized twenty-five years afterwards.

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Accustomed to finding Canadian products like Walker's "Canadian Club," or McLaren's cheese in far off places, it was a new experience at a very aristocratic official dinner to which I was invited in the Balkans, to have the fair hostess of the occasion ask me if I had ever heard of, or could I tell her, where she might get any information about the owners or dispensers of "William's Pink Pills." She wanted so much to know "whether the people who made them were reliable, or were they American fakirs?" and, also, if I had ever taken them? I had to admit I had failed to test their efficacy on my own system. But I had known intimately the proprietor of the firm from the time when he was a very young man. He was equally reliable in his later years, and at that particular time was a member of the Canadian Senate. Amidst

hearty laughter all round the lady announced that she would "risk them now."

The exigencies of my work once took me to Serbia, to meet a deputation interested in emigration. I was having lunch with a wealthy Serbian in a thriving town, when the social amenities of the occasion were considerably disturbed by the arrival of several gendarmes with the peremptory request that "the Englishman" should accompany them to police headquarters to explain his business in the town. So far, in all my experiences, I had had nothing like this. However, the police were quite courteous, especially when I explained that my presence was at the invitation of Serbians themselves. But I was relieved when I had finished with interviews and could leave the country.

When it became evident that the emigration from mid-Europe to Canada was likely to assume large proportions, I received an invitation to discuss a proposal for a direct steamship service from an Adriatic port to Canada with members and officials of the Austrian and Hungarian governments. At that time the Dual Monarchy was in its glory, with scarcely a shadow of the terrible blow Fate was preparing to deal fifteen years later. The formality of full evening dress, top hat and white gloves, was necessary for an interview with the Minister of the Interior at Vienna, but preliminaries once over and the major-domo departed, nobody could be more affable, courteous and frank, no interview could be more pleasant and helpful. Enquiries were made about Canada, its climate, its resources, the possibility of Austrian settlers succeeding there; and these answered satisfactorily, the assurance was given that no obstacle would be thrown in the way of emigration, and the government would consider favourably a proposition for a direct service

to Canada. The Minister intimated that I should discuss the matter with the Hungarian government at Budapest; at that time probably the gayest Capital in Europe, as it was certainly the most beautiful, in a splendid half-barbaric fashion. The silver throne-room in the royal palace on the Danube was a sight to take one's breath away, with the great hanging candelabra and decorations in solid silver, worth a king's ransom. I had no difficulty in getting an interview with Count Tisza, then the Prime Minister of Hungary. He was one of the most notable characters in Europe at that time, the representative of an ancient and illustrious House, accustomed to rule where ruling was no child's play. The Hungarian nobility was as proud as only a race could be who claimed that but for them all Europe would have been overrun by the Turks in the fifteenth century. Their Parliament was turbulent, always insistent that Hungarian interests should never be subservient to those of Austria, yet on the whole loyal to the throne.

Count Tisza, too, was favourable to the establishment of an Adriatic-Canadian Steamship Line, and was most anxious to be informed about Canada, its government, its industries, and its potentialities. He explained that he wished to give every consideration to the matter, but a good deal would depend upon the result of an election then pending in Budapest, between a supporter of his and one of Count Appolyani's, the leader of the Opposition in the Hungarian Parliament. The election was a very interesting experience as it was admitted the fate of the Tisza administration hung in the balance. The procedure was different from ours as each candidate had separate polling offices, scrutineers, etc., and the voting continued for two weeks unless more than one hour elapsed between one vote and the

next after a certain number of days, in which case it was assumed that all the votes had been polled and the poll was formally closed. This was the last day of the two weeks and there was great excitement.

During the day, a few Bosnian troops were to be seen at the principal street corners, but by evening time I was surprised to see the streets lined with them, in their distinctive uniform of dark blue, rather like Zouaves, with a Turkish fez head-dress. It was feared that Hungarian troops would take sides in the election, and as Austrian troops would have been the signal for all sorts of trouble, the government had fallen back on military support from Bosnia, over which the dual Empire exercised a sort of protectorate under the Treaty of Berlin. Officers were galloping up and down the roads, apparently very busy.

One of them pulled his horse up to the pavement beside me with the words, "I judge you are an Englishman?" I saluted and assented. He continued, "I thought so. Pardon me, but you had better return to your hotel as soon as possible. I will have you escorted. There will be riots to-night and you will not be safe on the streets." I lost no time in returning to the hotel. And sure enough the two factions were soon at it, with rifle-firing in different parts of the city at intervals all night long.

Count Tisza's opponent was elected. He kept his appointment with me the next morning attired in his dressing-gown, whereby I inferred that he had not had exactly a reposeful night; and he briefly explained that the election had complicated his political fortunes and that he was not in a position to render the assistance to the shipping project he had promised me. However, the matter was taken up by certain of the bankers in Budapest, and our negotiations were

continued with them. Then, the Cunard Line, learning that a steamship line outside of the Combine might be established for Austria, stepped in and announced arrangements for a regular service, cutting out competition immediately.

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Most people taking an interest in affairs during the Laurier regime will remember the Dundonald incident. This officer was appointed Adjutant-General of the Canadian forces in 1902, with the reputation of being the Hero of Ladysmith. This was considered as rather a good joke by his fellow-officers. The truth of the matter being that the gallant General had gone out on the veldt with a small personal guard, on a curiosity, or scouting, ride. The party got lost and accidentally stumbled into Ladysmith, as much surprised to find themselves there as was the officer in command in the beleaguered town.

However, he was a Lord. At an officers' mess in Montreal he was persuaded to make a speech, in the course of which he criticized the Acting-Minister of Militia, Hon. Sydney Fisher, on a certain departmental ruling. In any case it was not a subject for Lord Dundonald to meddle with. He would probably never have been so indiscreet if he had not imagined the occasion to be a private one, and if wine had not flowed too freely. A journalist was there to whom the speech presented too great a temptation for "copy" to be resisted. In the cold black-and-white of print Lord Dundonald's remarks were an insult to the Acting-Minister.

In reply to the Minister's enquiry, Lord Dundonald admitted that the report was correct, but said his

remarks were not intended for publication. He committed a still greater breach of official etiquette by sending "Sam" Hughes, M.P., a memorandum, which the latter read unwisely in the House. Sir Wilfrid, under the circumstances, felt himself obliged to recommend Lord Dundonald's dismissal. Lord Minto at first refused to do so, but finally, and reluctantly, acquiesced in signing the order of dismissal. . . . The incident was made much of by the Tory press as an insult to the "Hero of Ladysmith." Naturally so good an opportunity to make trouble for the Liberals could not be lost.

During the weeks while the matter was to the fore in the Canadian newspapers, the British papers were well dosed with sensational dispatches from Ottawa, all condemning the Canadian government, and giving occasion for biased British editorials on the subject. Sir Frederick Borden and Hon. Sydney Fisher cabled me, suggesting that I should have something put in the London newspapers setting forth the point of view of my government, and asking that public judgment be reserved until the official account of the matter reached Whitehall. I sent a careful letter to the *Times*, but a garbled cable version was published in Canada. "Ned" Clarke, whom I had almost defeated in what was thought to be the safe Tory constituency, West Toronto, and who was always "nagging" at me in the House, complained in the House of Commons that my letter to the *Times* was an interference in politics.

Two years later, in London, came the epilogue, at the Annual Banquet of the Cordwainers' Guild, one of the oldest and richest of the ancient Trade Corporations of London, now, of course, a body for administering for charitable and educational purposes the large invested funds which all these large corporations

possess. The Lord Mayor of the time, Sir John Pound, a good friend of mine, was in the Chair. I was one of the guests, and Bishop Brindle (who prepared the English Princess Victoria for her reception into the Roman Catholic Church before her marriage to King Alfonso of Spain) and Lord Dundonald were guests of honour and were to speak at the dinner. The latter was called upon to respond to the Toast of 'The Guests." He had been nursing his grievance against Canada for two years; and launched forth into the wildest attack on Canada and Canadian politicians it is possible to imagine. I never heard anything like it. Down came the Lord Mayor's secretary to me to say how indignant Sir John Pound was, and "would I speak in reply to the charges his lordship was making?" I pointed out that it would never do—that it would only make matters worse, however carefully I might frame a reply. The secretary went to Sir John with my message, but returned insistent. "Sir John is going to call upon you!" I appealed to General Laurie (a distinguished British officer, retired, and at one time a Conservative member of the House of Commons for a Nova Scotia constituency) to dissuade the Chairman from such a course. General Laurie's Canadian sympathies were aroused and at first he concurred with Sir John, and urged me "to give Dundonald ——!" I represented that His Lordship's violence was merely defeating its own object. And at that the matter finally rested so far as the dinner was concerned. But the doughty warrior received a reprimand from the War Office later, and was forbidden to mention the matter in the future. A version appeared in the Canadian papers which created a certain amount of indignation. I was asked by the government to verify the reports of the speech. But

I refused to be drawn again into the controversy in any way.

At the same banquet was given an intimation that in certain circles the conversion of an English Princess to the Roman Church was not accepted in a very friendly spirit. When the good Bishop Brindle stated that he had been engaged instructing Her Royal Highness in the tenets and doctrines of the Catholic Church, the guests almost with one accord turned their backs upon him. The chairs and the backs remained turned during his twenty minutes' speech.

On my next visit to Canada, I received an invitation to luncheon at Government House. Lord Grey asked me about the then recent Dundonald outbreak. Unfortunately, he sought other information, as well. Laurier had warned me to keep away from British politics with His Excellency. Lord Grey wanted my opinion of the probable result of the British elections. Remembering Laurier's warning, I hedged. "But you ought to know, Mr. Preston, you are offered a Liberal nomination over there, Laurier tells me," pressed His Excellency. Taking a cable out of my pocket I had received that morning, which read, in effect, "Come into the fight. Campbell-Bannerman will sweep the country with a majority over all parties." At the table we were just finishing dessert. The next thing I knew His Excellency was on his feet, and throwing his napkin on the floor, saying vehemently, "Never heard such stuff in my life. Who's fool enough to believe that. He'll be buried. England's not gone mad." Of course everyone rose from the table. One of the A.D.C.'s courteously took my arm as we walked to the drawing room, saying, "We all keep away from British politics." I met Laurier an hour afterwards, and he laughingly said, "I told you so."

XXXII

WATER POWER

After being in power in Ontario for thirty-two years, the Liberals under the leadership of Sir George Ross, were swept out of office in 1903. It is quite probable that what served to bring about his defeat more than anything else was the appearance of inconsistency in his own position, and the complete absence of unity in his Cabinet on the Temperance question.

This question had become of the most vital interest to a very large section of the community. For nearly a generation there had been instruction in the schools of the Province upon the bad effects of alcohol on the body. Education such as this was bound to bear fruit. There was undoubtedly a sincere and earnest conviction in the public mind on this subject. The same spirit and conviction in the United States has served to fasten a prohibitory measure on the American Constitution. In Ontario, in one form or another, the question had been a disturbing factor in the public mind for years. It had haunted Law Courts and Legislatures. In the former, decisions had but emphasized the complexity of the legislation required for dealing with the liquor interests. It was not even certain that the province could claim the right to enact a prohibitory law; while it was generally recognized that only the Federal authority could deal with the question of the manufacture of alcoholic beverages.

The advocates of Prohibition (and there were many who made it their profession) demanded that

the province should go to the full length of its legal powers, even if failure should be the result. Others, as well-meaning and rather wiser, fearing that public opinion was not sufficiently advanced to sustain extreme measures, advocated the gradual tightening up and better control of the existing licensing system. Sir George Ross himself, while as good a prohibitionist as any of the extremists who turned him down at the polls, favoured restrictive means rather than a plunge into actual prohibition. When as Premier of Ontario he attended the coronation of King Edward VII, he made a point of investigating the Swedish, or Gothenburg, system of government control of the sale of intoxicating liquors. As a practical legislator he was very favourably impressed with it, but he could not secure an unanimous decision in his Cabinet on the point, although a majority were willing to go with him in a trial of it. As he felt himself unable to go to the extreme length demanded by his prohibition friends, he lost the support of Liberals in every constituency, and the last straw was the questionable efforts of one of his colleagues, Hon. J. R. Stratton, to secure the support of one Gamey, who had been elected as an Independent in a constituency on the outskirts of the province. The Liberals who were returned to the Legislature took their seats on the Opposition side of the House. And it is one of the ironies of political life that the Temperance sentiment of Ontario put the Conservative party into power; which neither through its leaders nor even by a reasonably moderate number of its rank and file was identified in any degree with temperance legislation, or the aspirations behind it.

In the last session of the Legislature controlled by the Liberals (1903), a Bill was passed providing for the

creation of the Ontario Hydro. It was intended by this Act to provide under public ownership for the supply of electric light, heat and power at a minimum of cost. The Act was designed so that the people of this province need not be under the necessity of importing millions of tons of anthracite coal from the United States at an annual expenditure of ten or fifteen million dollars. It was expected that electric power could be made available at such a low figure that the province would become the greatest manufacturing centre in the Dominion. Upon this basis, and winged with such expectations, the Ontario Hydro Act was launched.

It was a magnificent conception. The St. Lawrence river, the Ottawa, the Trent, the Otonabee, and the Niagara furnished scope for great possibilities of power development under proper management. These would furnish almost illimitable power for the southern part of the Province, to say nothing about the undeveloped water-power in the north. After the enactment of this Bill the Liberal party went out of office. 'Twas a magnificent farewell gesture! As the gladiators who were about to die saluted their Caesar, so did Ontario Liberalism unwittingly salute the future.

Man proposes. Man also disposes. It fell to the Conservative Party to carry out the powers given to the Hydro Commission. One who was an enthusiastic disciple of the doctrine of "Public Ownership of Public Utilities" was appointed Chairman. This was Adam Beck, a cigar-box manufacturer of London, Ontario. He was undoubtedly possessed of large ideas quite sufficient to bankrupt any enterprise of his own. The Act gave the Commission very wide powers. Those responsible for drafting the measure believed that integrity, honesty and reasonable business ability

would characterize its operation. Unfortunately it was never foreseen that it might provide expensive political capital as well as cheap power. The "Public Ownership of Public Utilities" was to become a dangerous weapon in unscrupulous hands.

Beck moved discreetly while Sir James Whitney was Premier of the province. After his death, Beck, for a while at least, became a dominating factor in the administration of Sir William Hearst. By this time the Hydro Commission was in full bloom as a Tory institution. All enquiries by the Opposition in the Legislature for details of expenditure by the Commission remained unanswered. The Hydro Commission had become Hydra-headed and beyond the jurisdiction of the Provincial House. Electric energy was being developed on the largest scale. Private companies were bought up by the Commission and huge plants, which had been operated by these companies, were scrapped. Liabilities were incurred which put the possibility of cheap electric heat out of the question.

There was a slump in property held for manufacturing purposes in the Welland Peninsula, where great expectations were encouraged for the development of a Canadian Birmingham on account of the contiguity of the district to Niagara Falls. What is now known as the Chippewa project was inaugurated and sanctioned by the provincial government at an estimated cost of $10,500,000. This was designed to carry the waters from the Chippewa River, above the Falls, by an open canal to the power-generating plant at Queenston, a distance of fourteen miles. By 1918 (three years after the commencement of the work) Sir Adam Beck felt it necessary to explain to the Premier, Sir William Hearst, that an error must have been made in the estimates, for the cost would probably exceed

$15,000,000. Unpleasant relations followed. The elections were approaching.

Beck went down in his own constituency, due to a certain extent to the influence of Sir William's government; but the Hearst government itself was overwhelmingly defeated. The United Farmers' Party had unexpectedly exercised a decisive influence in the campaign and was the largest group of the three parties in the House. The Lieutenant-Governor of Ontario called upon Mr. Drury, the selected leader of the United Farmers, to form a Cabinet, although he was not then a member of the Legislature. Sir Adam Beck, though defeated as a candidate, was still Chairman of the Hydro Commission. He immediately addressed himself to the new Premier, having previously announced that he was willing to act as the temporary leader of the Farmers' Party. Drury had not had any administrative experience. Beck found the new Premier an easy mark. He calmly assured Drury that the Chippewa project would now cost $25,000,000 owing to the increased cost of material and labour since the War. Before Drury had been in office two years the cost of the Chippewa project was estimated as being likely to run to $80,000,000! By this time even Mr. Drury must have blanched at the vision of the insatiable maw of the Chippewa.

But Mr. Beck had launched upon a general policy of radial railway construction of which Toronto was to be the centre. With this "sop to Cerberus," the Toronto press (with one exception) demanded that the government should support Beck's proposals; although a Royal Commission (with Justice Sutherland as Chairman) appointed to enquire into the utility of the proposals had resulted in an adverse report in every particular. Beck by this time was openly flouting the

authority of the government, although he was in the government service. He contradicted Drury in the most flagrant manner. In speeches and interviews to the press Beck practically insulted him. All this time issues of government guaranteed bonds were granted for the continuation of the Chippewa work; the expenditure finally reaching the appalling figure mentioned ($80,000,000), with the project, even then, incomplete. A Royal Commission was again appointed (with W. D. Gregory, K.C., as Chairman) to enquire into the administration of the Hydro Commission, which had not completed its labours when the Drury government was defeated in the elections of 1923.

During this campaign no secret was made of the fact that the entire influence of the Hydro Commission, with Sir Adam Beck's, was thrown against the Drury Government in favour of the Conservative party and of Hon. Howard Ferguson, its leader. Beck supplied unlimited funds to the provincial Conservative party. The party in power, he demanded its support to his new grandiose scheme that the Federal government be pressed to recognize the right of the Province to join with the State of New York for the development of electrical energy on the St. Lawrence River; the Hydro Commission to work conjointly with such syndicate to which the State of New York might grant the franchise.

This was a daringly conceived plot by Beck and certain other capitalists, who were supposed to exercise a controlling influence in the State Legislature of New York. Many years previously the Law Lords of the Privy Council had decided that the rights to waters of Ontario rivers not required for navigable purposes were to be vested in the provinces, while those necessary for navigation were defined as coming under Federal

jurisdiction. Some took this to mean that not only provincial streams but interprovincial and international rivers came under the same judgment; as more water was flowing in the St. Lawrence River than could be utilized in its canals, therefore the residue belonged to the province. A priori, only the province could have a right to develop it. It was argued that as by the decision of the Privy Council the Province of Ontario had this right, the State of New York could claim similar rights. It was estimated that the cost to develop two million horse power would run from two hundred and fifty millions to four hundred millions. American capitalists could easily secure the money as the government of Ontario would guarantee the share of the Hydro Commission. To control this expenditure, or even to have a share in controlling such an immense sum, was something worth fighting for.

To this end five million dollars were placed at Beck's disposal, to secure the election of the Conservative Party in Ontario, and then to obtain from the Federal government at Ottawa an admission or consent that the Province and not the Dominion held these development rights.

I myself was told by a confidante of Sir Adam Beck's that the Dominion Conservative party would support any proposition made by Mackenzie King's government that development rights be given to the Hydro. I was assured that a payment of a million dollars had already been made to the Conservative party, and that in a few days a preliminary move would be made, in an announcement from a well-known Conservative member of the House, expressing anxiety lest the development of this electrical energy should be unduly delayed, and urging that the Conservative party should give their support to the government in

this matter. True enough, this announcement was made. Then I was asked by Sir Adam Beck's confidante to give him the names of prominent Liberals who would have weight in controlling the policy of the government in this matter, and who might be invited to participate in a share of the other million dollars. I frankly told a member of the Dominion government of the Hydro plot, warning him to watch developments from the inside.

However, the scene changed. Instead of the Democrats at Albany being in control of United States side, the Federal authorities at Washington asserted Federal rights to the waters in question. This resulted in direct negotiations between Ottawa and Washington, and the appointment of a commission of engineers to enquire into the subject. As the Federal government at Washington was Republican, it will be understood that Beck had backed the wrong horse in looking to the Democrats at Albany for help.

Everyone is anxious to see electric energy on the St. Lawrence River developed to the fullest extent possible. Yet who can contemplate with equanimity the repetition of the Chippewa experiment on the scale of the St. Lawrence River? It will be admitted that the Public Ownership of Public Utilities is in the public interest. But only if it is based on the assumption that there will be honest administration and the exercise of ordinary business ability. Where the administration is less marked by competence and common sense, than by the large imaginings of a Mr. Macawber, and business acumen is conspicuous by its absence, then the calamity to the public is beyond words. What sort of administration has this province had in the development of electrical energy under so-called public ownership? Ownership, only in the sense that the

public pays the bill, impotent to control. . . . in the case of the Chippewa project, for example, which was estimated to cost ten and a half millions and has already swallowed eighty millions. Or, in the taking over of the Ontario Power Company's rights, and the Mackenzie-Mann interests, when before negotiations were closed, contracts to export scores of thousands of horsepower to the United States for fifty years to come were made, and that at lower rates than are given to users of power in Ontario.

Sooner or later, public judgment must be passed on the contention of the Hydro Commission that its expenditures and proceedings are not to be subjected to the usual Parliamentary scrutiny. Here is the creation of the Legislature, yet which refuses the Legislature information. It incurs expenditures for hundreds of millions yet demands to be free of control. It spends fortunes on items no public body would sanction, yet its auditors are appointed only by itself. The Legislature is not even aware of the source from which Sir Adam Beck paid out one million dollars in preparing for the proposed radial lines, the completion of which was never carried out. Can this go on indefinitely? Does it not savour of Star Chamber methods?

In my own town a private company once furnished electric energy for less than one-half the rate now paid to the Hydro Commission. In addition to paying more than twice as much for its power, the town loses annually the two thousand dollars formerly paid in taxes. Its plant is scrapped and the source of electric energy lies dormant. Thus we pay for Hydro development.

The Province of Ontario with its magnificent water-power should have the cheapest electrical energy in the

world. We haven't got it. We never will, under the present system.

Alas! for that child of Liberal parentage—the Hydro.

When the Liberals retired from office in 1903 the annual provincial expenditure was $5,000,000. There was a surplus in the Treasury of $5,500,000. And there was no provincial debt.

The Liberal Party has now been out of office in the province for twenty-five years. The annual expenditure now is $52,000,000. The Funded Debt of the province is $240,000,000. The deficits for the last three years have amounted to $8,000,000.

When Sir George Ross was defeated in 1903, Hon. G. P. Graham was selected to be Liberal leader in the Province in his stead. Later, Mr. Graham joined Sir Wilfrid Laurier's administration in Ottawa, and Mr. McKay took his place in the Province. Mr. N. Wesley Rowell, K.C., followed, filling the position with credit to himself and to his party. He was an advanced temperance advocate, and went to the country in two general elections, the last time in 1912, on an "Abolish the Bar" platform, but was hopelessly defeated. He resigned to accept office under Sir Robert Borden in the Union Administration of 1917, leaving Mr. Proudfoot, K.C., in temporary command, pending decision by an official Liberal convention.

The convention (1919) nominated the late Hartley Dewart, K.C., one of the most brilliant politicians in the Province. Yet no greater mistake was ever made by a party; the choice was anything but fortunate. Then followed Wellington Hay in 1922, who was defeated in the election that followed shortly afterwards. The present leader in Provincial Liberalism is W. E. N. Sinclair, K.C., a high type of politician, but

one confronting a very difficult task. Provincial affairs are becoming more and more under the control of interests which will always be antagonistic to the Liberal Party, and profoundly inimical to the principles for which Liberalism stands.

XXXIII

MACHINERY CREATED—AND DESTROYED

There is a matter in connection with the continental emigration work which must have more than passing mention. When I took charge, it was without the least idea of what might be necessary to get the right type of emigrant. Only one thing I knew, that the Minister (Sir Clifford Sifton) would support me, and that all the money to ensure success would be forthcoming. In the cellars of the continental booking offices I found tons of literature, the accumulation of years, of the sort that various High Commissioners had used to stimulate emigration; all of it useless. For years also, the government of Canada had allowed a bonus to individual ticket agents on a per capita basis, to encourage them to sell tickets to Canada as well as to the United States. These bonuses had never been paid promptly; in many cases they were made difficult of collection, and sometimes were never paid at all. I interviewed representatives of all the large travelling agencies and steamship offices, and there appeared little to hope for in that direction.

Canadians congratulated themselves when Sir Donald A. Smith became High Commissioner. It was thought that something of a practical character might be done with regard to emigration. Mr. Sifton proposed that a Canadian official should be sent to London to take charge of emigration work. Lord Strathcona wrote to Ottawa that a minor clerk at a small salary would answer all requirements, and straightway decided

to do something himself, making a choice of Germany for his operations. He went to Hamburg, putting up at the Hamburger Hof. From there he sent invitations to a number of booking-agents, saying that "Lord Strathcona, the High Commissioner for Canada would like to confer with them at his hotel." An invitation from an English "Lord" brought a response from a fair number of a certain class. The High Commissioner duly pointed to them the advantages offered to emigrants to Canada, and the advantage to themselves in the bonus paid by the Canadian government upon each emigrant. Fortunately for himself Lord Strathcona did not prolong his stay in Hamburg beyond that day.

On his return to London, he wrote a report upon this effort, with a summary of his address to "a crowded meeting of booking-agents." It was his intention to show the Ottawa government that with such masterly activity on his part, the services of another official were quite unnecessary. But alas, Lord Strathcona had stirred up a hornets' nest, as he was to find out. The Secretary of State for the Colonies, Right Hon. Joseph Chamberlain, sent in haste and urgency for his lordship, and told him that the Prime Minister, Lord Salisbury, had received an official visit from the German Ambassador, Count Hatzfelt, who informed him that the High Commissioner for Canada had broken the German law, and also violated the police regulations of Hamburg in addressing a meeting of booking-agents by inciting them to emigration work. The German Ambassador desired Lord Salisbury to advise Lord Strathcona that he had better keep out of Germany in future or he would be arrested. And Mr. Chamberlain intimated further, that Lord Salisbury had suggested it would be as well if the High Commissioner could submit a statement, proving to the

German authorities that they were under a misconception as to the facts. As a matter of fact the German authorities were astray on one point. The "booking-agents" had not responded to the High Commissioner's pressing invitation to visit him at the Hamburger Hof. The "distinguished company" who favoured him with their presence were the street runners, or touts, connected with the competitive steamship companies.

The High Commissioner returned to his office in Victoria Street deeply crestfallen! To preserve his standing with the Colonial Secretary and the Prime Minister he was only too anxious to explain away the incident, but there were the letters and the report on its way to Ottawa! However, he cabled Ottawa to regard the correspondence then on its way as "confidential," and wrote an official letter to Lord Ampthill, Hon. Joseph Chamberlain's private secretary, giving a somewhat altered account of the Hamburg meeting, and hoping that this would be satisfactory to the German Embassy. By this means he trusted that all traces of his unfortunate escapade would be out of the way.

But officialism, even in Canada, also loves a report, especially one signed by a title. To allow such a communication to be elsewhere than on the principal files of the department would be wronging the department as well as the communication. Therefore the report was duly placed on the files.

Some years later the correspondence was produced to a Committee of the House of Commons, and the inconsistencies between the report to Ottawa and the letter to Lord Ampthill became public property. So do lies, like murder, come out!—and their little ghosts walk!

The visit to the Continent, carried out with a flourish of trumpets, and which had such humiliating consequences, was Lord Strathcona's first, last and only personal effort to direct any emigration movement to the Dominion of Canada.

It has already been remarked that very few governments look with perfect equanimity on losing desirable citizens. They will gladly consent to wastrels and undesirables, and that part of the population which lives habitually below the subsistence line, being taken to another country, of course. But the best,which we wanted, were not to be encouraged to leave. In Germany in particular, where as we now know, "authority" was already considering the conservation of "cannon fodder," undue emphasis on emigration was a matter for the police. In spite of the possibility of trouble in this direction, I invited a conference of the most responsible booking agents from Holland, Sweden, Norway and Germany, to meet me in a quiet place a few miles from Hamburg and discuss matters. We had to be careful, as the German police were after Lord Strathcona for his indiscretions at the Hamburg meeting. After a great deal of sifting, and most careful consideration of all the difficulties, I suggested that the Canadian business might be pooled, and the accumulated bonuses divided upon some mutually satisfactory basis. The one condition upon which the business could possibly be undertaken was that the Canadian government *alone* was to know the names of those who were to do the work. All the German offices were liable to police search, so that the head office for the work must be in a neutral country. I cabled the suggested arrangement to Ottawa in code. I saw the British Ambassador in Berlin, who approved, and allowed me to cable Ottawa to that effect. Mr. Sifton cabled his approval and

suggested a provisional agreement to be drafted. This was the foundation of the contract between the Department of the Interior and the North Atlantic Trading Company. The Deputy Minister, Mr. James A. Smart, came to London to go thoroughly into the whole business; at a later stage the conference was transferred to Lord Strathcona's residence in Scotland, where the final recommendation for the Minister was drafted, part of it in Lord Strathcona's own handwriting. A typewritten copy of this document was signed by me and sent to the Minister at Ottawa. The original was placed on file in Lord Strathcona's office in London. Five years later, when the High Commissioner wanted to get out of any share of responsibility in the matter, he wrote to the Prime Minister that he had never approved of the contract. And just at that time the file disappeared from his office.

In submitting this contract to the House of Commons for ratification, Mr. Sifton explained why the names of the members of the company must not be made public. His explanation was accepted, and the contract was duly ratified by the House. It provided for a bonus on agriculturists and their families, the payments to be made according to the arrivals in Canada as shown by the departmental reports at the port of landing. There was to be a preliminary payment, but all the cost of propaganda was to be borne by the company.

Several years afterwards, Mr. Robert Borden, now Sir Robert, and Mr. Foster, now Sir George, attacked the Minister for withholding the names of those connected with the N.A.T. Company, notwithstanding the pledge of secrecy which had been given by the government and ratified by Parliament, when the contract was made. These honourable gentlemen tried

to insinuate that, first the Minister, then Mr. Smart, then I, had received the moneys paid to this "unknown company." When a Parliamentary Committee of Enquiry disposed of these baseless accusations, a howl went up from the Tory press because I refused to divulge the names of the company. I knew it meant the ruination of all of the men associated in this work, for the reasons given above. I was more than justified in refusing apart from that because of the solemn pledge given to the company in the beginning, which had been approved by government and ratified by Parliament upon information which had been confirmed by the government's own confidential enquiry-agents. Twenty years have gone by, and for all I know everyone in that company may be dead. But I will bear record that there never was a more honest contract, nor one more honestly carried out by those with whom the government made it, than in the case of the North Atlantic Trading Company. The company carried out thoroughly and adequately their part of the contract, in letter and spirit. They trusted the government, in giving the department concerned sole control of the means whereby the amounts due to the company were to be calculated. They not only trusted to a broken reed, but the department dishonestly withheld $62,000 which the departmental records showed were due to the company. Suit was entered for the amount. The government solicitors put in a defence that the names of the European principals in the contract must be revealed. This defence was in the face of the fact that the personnel of the company was known to the Prime Minister, as well as other members of the Cabinet, who knew that by making these names public the company was certain to get into trouble with the German authorities, even to the point of imprisonment

and the confiscation of their property. Through such chicane as this the department was enabled to repudiate its obligations. The contract was ruthlessly cancelled. Yet for years afterwards the department continued to profit through the propaganda initiated by the company and its ramifications all over Europe, to the extent of hundreds of thousands of immigrants. I know of no more flagrant breach of faith and lack of common honesty, than the action of the Immigration Department of the Dominion of Canda in this matter, the result of jealousy, common "ordinary or garden" jealousy, over what should have been the great success of Clifford Sifton's life.

The Hon. Clifford Sifton (now Sir Clifford) was one of the most remarkable members of Sir Wilfrid Laurier's original Cabinet. He was not a candidate in the general election (1896), being Attorney-General of Manitoba at the time; and he was one of the members of the Provincial Administration appointed to confer with Laurier's Cabinet upon the conciliatory regulations, respecting the question of religious teaching by the Catholic clergy in the public schools of Manitoba, following the abolition of Separate Schools in that Province. The Separate School system had been in existence in Manitoba for some years, serving a large French Catholic population. With the increase of the English-speaking population an agitation developed for a unified public school system. The Lieutenant-Governor John Schultz, was formerly a Conservative representative to the House of Commons for a Manitoba constituency, and carried his political predilections in an extreme degree to Government House. The impression was current in public circles that he was endeavouring to force a disagreement with the government, of which Greenway was Premier, and

(following an example set in the Province of Quebec) that he intended to dismiss his Ministers and get the administration in the hands of his political friends. With such influences as the Tories at Ottawa could bring, it was believed that a vote of approval might be captured from the Province. In order, therefore, to forestall any such action on the part of the Lieutenant-Governor, and to be in a position to appeal to the electors on a popular issue, the Greenway Cabinet announced its intention of asking the support of the Legislature to abolish the Separate School system in the Province. The Tory plot failed. But a most disturbing question was thrown into the political arena; still unsettled after more than thirty years, and likely to continue to be a thorny subject for a long time to come.

It was from such an atmosphere that Laurier called Sifton to accept a portfolio at Ottawa; a choice certain to be unacceptable to a large section of the East, particularly to Charles Fitzpatrick, soon to become a vindictive opponent in the Cabinet. Sifton became Minister of the Interior on condition that he was to have a free hand in the organization of the Department. He had lived in the West and was thoroughly imbued with the Western vision. He immediately threw all his ability and energy into realizing his dream for a well populated and developed West. In this he was supported heartily by Laurier.

The Tory Party at Ottawa saw in Sifton a coming power and soon turned all their guns on the new Minister. Under the privilege of Parliament, things were said that no man would dare to say outside. There was no form of abuse, no slander unvisited upon him. He was charged with corruption; he was accused of having timber limits and land grants in the

gift of his department diverted to his own use. It was whispered that he was exploiting the newly discovered gold fields of the Yukon, of misappropriating the government expenditure for immigration, and of being interested in the continental emigration company. But his accusers were careful not to ask for an enquiry into these matters. No one knew better than they that these suggestions had no basis in fact.

I hold no brief for Sir Clifford Sifton, but for years I was one of his chief officials in Immigration work, and therefore I have personal knowledge of the utter absurdity of the accusations. I also was one of the victims of the systematic unscrupulous lying indulged in by the Tories at that time. Sifton's honour has been more than vindicated. Parliamentary documents, and information from officials at Parliamentary Committees have proved to the hilt the baselessness of the charges made against this great man. Justice has never been done to him; reparation can never be made.

By 1905 it had been resolved at Ottawa that the creation of two new provinces in the West was necessary. It was certain that the new Provinces would demand the incorporation of the Crown Lands, though this did not meet with approval at Ottawa, and it was decided that a liberal annual subsidy should be given instead. The School question was sure to be a storm-centre, as the Roman Catholics wanted full rights to Separate Schools on the same lines as Ontario. Many Protestants were indifferent; but the extremists were always hoping for another excuse to light anew the torch of sectarianism.

Sifton returned from a holiday that summer, having received an assurance that the details of the new Constitutions would not be settled during his absence, only

to find that a Separate School proviso of greater scope than he was prepared to agree to, had been engrafted upon the Bills. He expressed his views to the Prime Minister. Laurier was conciliatory, and thought the offending clauses could be changed to meet Sifton's objections. When Sifton resigned, no one was more amazed than Laurier. It was like a bolt from the blue.

It transpired later that Sir Charles Fitzpatrick, Minister of Justice, had drafted the clause in question. It had been done with a sly cleverness so as to secure for the Separate School advocates more freedom than the Cabinet had decided should be given. Nearly all the Western members were up in arms over this betrayal of their principles by the Minister of Justice.

Yet Sifton exerted a great influence over the Western members of the Cabinet than if he had not resigned. Fitzpatrick had succeeded in getting rid of a colleague objectionable to himself, though in doing so he almost wrecked the government; yet, far from using his influence to injure the government from which he had resigned, Sifton put forth his best endeavours to secure the support of the West to a reasonable compromise on the School question, although he was well aware of the treachery of his erstwhile colleague, Fitzpatrick.

The future historian of this country will point to the events of this period of the Laurier Administration as of more vital importance to the Dominion than any other question with which Laurier's Cabinet had to do in the long years of his regime. To Clifford Sifton and to no other in anything like the same degree, was due the transcendent success of Laurier's government. He solved the Immigration problem with which Canada had struggled unsuccessfully for more than half a century. There had been able Ministers in charge, but not one of them had the occasion to

initiate a policy worthy of the name. Sifton opened the eyes of the world to the possibilities of Canada in absorbing a desirable population and the potentialities of success to an industrious and sober people. What his resignation from the Cabinet cost the country cannot be calculated in figures. They are too colossal to be readily comprehended. Had Sifton remained in office, the Dominion would have had not less than 15,000,000 by 1915, and at least 20,000,000 now. It was a national calamity when Laurier and Sifton drifted apart.

It may be as well to state that there would have been no "1911" if Laurier had taken Sifton's advice. Without hesitation or reservation, I can say that had Sir Wilfrid taken Sifton's advice, which was given in a friendly spirit in London in the summer of 1911, no dissolution of the House of Commons would have taken place that year. Laurier could have taken any course he desired with respect to the Reciprocity Treaty, and he would have had ample time to put his house in order before facing a General Election two years hence. This particular incident was discussed quite freely by Sir Wilfrid, and his colleagues then in London, Fielding, Sir Frederick Borden and Hon. Sidney Fisher, with myself, after I had, with Laurier's permission, intimated to Sifton a dissolution was probable.

XXXIV

"A MAN'S A MAN, FOR A' THAT"

One of the most picturesque figures in Canadian railway finance was Sir William Mackenzie. First a school teacher in a back township on the outskirts of Ontario, then in the early seventies the owner of a wood-yard in a small village in North Victoria, he began to make his way as a dealer in railway ties. The business developed on a fairly large scale due to his reliability in all his contracts. Finally, the attention of the late James Ross, a millionaire railway contractor, was drawn to him, and the latter suggested that Mackenzie should go in for a railway contract on the new Canadian Pacific line. Mackenzie shrugged his shoulders. "How am I to manage it?"

"Meet me at the Queen's Hotel, Toronto, a week from to-day," said Ross. The millionaire was on time with the contract in his pocket. When Mackenzie told him he had no plant with which to carry on, Ross handed him a cheque for $50,000, saying, "Find the devil of a driver to boss the men and get to work." There was just such a driver as Mackenzie needed in Miller's lumber-mill in Parry Sound, one Dan Mann by name; these two got to work, employing Italian navvies. The men were well fed and well looked after, their camps kept in good order. Dan's language was "frequent and free," and if not marked by observance of grammatical rules, its meaning could not be mistaken. More work was got out of every single navvy in that construction camp than most contractors get

out of half-a-dozen. There were no prolonged disputes—Dan had a fist like a trip-hammer. If there were hospital cases they were repaired very kindly, and it was not necessary to repeat the dose. At the end of the first twelve months, when their books were balanced, the partners were $800,000 to the good.

Next, Mackenzie cast a speculative eye on the Toronto street railway franchise. There were great possibilities in that direction. The city was rapidly spreading eastward and westward along her magnificent frontage on the lake. Those miles and miles of straight roads represented a gold mine to the one who could capture the traffic rights. Mackenzie put $60,000 into the hands of Fred Coleman, with which to "interview" members of the Toronto City Council. The franchise was secured. Hints were current as to how Mackenzie had won it. An enquiry was demanded and Coleman took an extended holiday. Interested aldermen, like Brer Rabbit, said nothing; so no exposure followed. The deal whetted Mackenzie's appetite for railway finance; an interest was secured in the Detroit system and profitably disposed of. The control of the Winnipeg street railway followed.

By 1890 Mackenzie began to dream of the construction of another railway across the continent. In 1900 the time seemed ripe for such a project. Under four years of the Laurier administration the country was developing rapidly in the huge productive area now known as the provinces of Saskatchewan and Alberta, outside the radius of Canadian Pacific railway lines. The routes were carefully selected, amply justified by the fact that these lines are now among the most profitable of the Canadian National railway system. Evidence of this is furnished in the fact that last year, 1927, the prairie traffic gave the National

railway a revenue of $60,000,000. Mackenzie decided that what the Canadian Pacific promoters had done, he could do. If Strathcona and Mountstephen could blaze a trail of corruption through Canadian political life, and get away with it, posing as lofty patriots and Empire-Builders, he could follow the trail. And he did. He secured Dominion and Provincial subsidies from the Atlantic to the Pacific. He established himself in every parliament and legislature. His expenditures in election campaigns and for parliamentary lobbying ran to between fifteen and twenty million dollars. During the thirty-five years he was manipulating administrations and dealing with politicians, he received in government subsidies and government guarantees the enormous sum of $220,000,000 in cash, and grants and concessions worth probably another $75,000,000.

Yet year after year Mackenzie came to London trying in vain to sell his railway securities. Strathcona, with the Canadian Pacific railway and the Bank of Montreal assisting, alarmed prospective investors. So year after year Mackenzie returned home finding these influences baulking him at every turn. I will never forget the day in 1903 when he flung himself triumphantly into my office at Charing Cross, joyfully exclaiming, "I've won. Strathcona can go to hell now! My railway will be built to the Pacific."

One day back in the eighties Mackenzie dropped into my office in Toronto and after some desultory conversation remarked, "How are Party funds—hard up like the rest of us?" He laid an envelope on my desk with, "Put this in the pot, but don't tell where you got it." The envelope contained $1,000, the largest single subscription we had received up to that time. Years afterwards, in 1896, when I was nominated as

the Liberal candidate for West Toronto, he cabled me $1,000 towards my election expenses, and it was the only assistance I received in that election.

In the early years of Mackenzie's railway operations, he had offered me the secretaryship of his company, and this formed the basis of our intimate personal relations, but I preferred the political pageant from the outside. In 1913 he sent for me to come to his London office, and handing me some papers, said, "Here's something that will just suit you." It required $15,000 to secure an option, the money to be returned under certain conditions. Then and there he took me over to Lloyd's Bank and deposited $15,000 in my name. "Go ahead, and come to see me occasionally," was all the thanks he would take from me.

Even then, so long before the Great War burst upon Europe, there were certain uneasinesses in the business world. In this matter there were delays; but in July, 1914, a sale was negotiated for manufacturing rights in Russia, and $300,000 was deposited in a London Bank pending completion of transfer. Even with the Ambassador pressing for completion of the contract there were last-minute legal delays. . . . And then the War came, which smashed everything. I was worried beyond telling with the obligation of $15,000 and nothing to meet it with. Finally I put through a deal with just enough to pay the bank; and I went over to Mackenzie's office with the bank discharge. He looked at it and remarked, "Preston, you are a quixotic fool!"

He opened a drawer and took out a cheque. "There is a cheque I drew months ago to pay this. You are about the first man for whom I ever endorsed a cheque that I haven't had to pay it. You *are* a quixotic fool!"

The day after War was declared I drove with him to the Admiralty on some business, and he said rather grimly, "This War ruins me unless Ottawa stands behind me. And I am afraid. Politicians are a mean lot. Just when you want them most, then they throw you down."

He returned to Ottawa in a belief that he was still powerful. When in 1917 he was told that the Borden government intended to foreclose the mortgage on the Canadian Northern railway for the loan of $45,000,000, he thought he had the nightmare. The government was spending and wasting money like water, not millions, but hundreds of millions! Mackenzie went to see Sir Robert Borden. But what he had heard was only too true. The Canadian Northern had not been paying the interest on its bonds. They had dropped in value—dropped badly. Speculators had options on them, who were willing to divide the profits with friends in the Cabinet, if the government would take possession of the railway and assume responsibility for the depreciated securities. Which is what happened.

The Tory party owed everything to Mackenzie. He had engineered the campaign that had put Laurier out of power. But for his money, poured out without stint, Robert Borden would not have been elected Premier of Canada in 1911. Sir William Mackenzie died from anxiety and worry. No one will deny his faults. He left a trail of political corruption behind him. But it was hardly the thing for the Strathcona and Mountstephen crowd to criticize him. He built on their foundation of political corruption. The picture is not one that Canadians can contemplate with satisfaction. Least of all, the Tory party, which climbed to office on the golden ladder he

provided, and then threw him on the scrap-heap because it paid them to do it.

Sir Wilfrid Laurier had a high admiration for Sir William Mackenzie, personally, although he was well aware of Mackenzie's political activities against him. In criticizing a proposal submitted to Parliament by the Borden government in the Mackenzie and Mann interests, Sir Wilfrid Laurier said:—

> "We, the Liberal Party, have no objection to "helping them. We have helped them in the past. "I have not much in common with them. I cannot "claim them as friends, but I admire energy, enter- "prise and pluck, wherever it is found."

During Laurier's term of office his administration granted cash subsidies and guaranteed bonds to the extent of $62,000,000 for Mackenzie's railway projects. Laurier used his utmost efforts to persuade those responsible for the Grand Trunk policy, and Mackenzie, to make some kind of agreement for mutual action, and avoid, if possible, the construction of the Grand Trunk Pacific railway extension. Had this been done, all the unfortunate complications growing out of the collapse of the money markets of the world, incident to the Great War, would not have found a reflex in Canada with the bankruptcy of the Grand Trunk Pacific and Canadian Northern railways.

XXXV

UNDER THE SOUTHERN CROSS
SOUTH AFRICA

Before leaving England to take up my new duties of Commissioner of Trade with Japan, I had a long talk with Sir Henry Campbell-Bannerman. I had kept in constant touch with him, not only because of my official position in the Emigration Department, but because we had many ideas in common. He told me all about the Constitution for the Transvaal, which it was the intention of his government to issue in a few weeks' time. And he asked me if it would be possible for me to take the opportunity of going about while there and giving him a confidential report on the situation. As it happened, I was given instructions to make inquiries at Cape Town about a certain Canadian Trade Commissioner for South Africa, who was being paid $300 a month by a Canadian Milling Company for pushing their products to the exclusion of their competitors. Thus it was easy to carry out Sir Henry's behest. I was in Johannesburg the evening the news came through that the Constitution had been granted. I shall never forget the sight. The city was frantic with excitement, and venomous against the Imperial government. The big market-square was a seething mass of humanity, cheering and applauding speakers on half-a-dozen improvised platforms, all of whom were denouncing in the most vehement language, Campbell-Bannerman and his government. "This is what we

fought for," shouted the furious men, "To be slaves to the Boers!—Let's get ready to fight again!"

On the next night I was invited to dinner by Sir Abe Bailey, and found a gathering of twenty or thirty was expected. "This is no place for me," I said to him, "unless you want a row!"

"I know your views," he said with a twinkle, "we will have a quiet discussion."

We *had* a discussion, too! All his other guests were extreme anti-Boer. My argument was: "In Canada we have a large French population with whom we must share the government of our country. It is theirs as much as ours. Insult them—they will act as we would under the same circumstances. Show them the respect you owe them, trust them—there are no finer people in the Empire. You do the same with Botha and Smuts." . . .

We parted in the small hours of Monday morning the best of friends.

* * * *

Immediately upon the granting of the Constitution to the Transvaal, Lord Selbourne the High Commissioner, called upon General Botha to form a government. This was an assurance to the Boers that the British government recognized them as being entitled to the exercise of the fullest measure of political freedom, as promised by the Treaty of Peace which ended the Boer War. Sir Henry Campbell-Bannerman in making this experiment certainly took his courage in both hands; and to say he was justified of his faith is to say little. There may have been differences, such divergencies of opinion and straining at the leash, as we know in Canada. But the Great War was to prove

the soundness of his statesmanship and that of the men who shared his vision. Is it a little thing, that from a defeated and embittered race, and from an offshoot of our own, rent with feuds and personal differences, should have grown the United South Africa of to-day? Is it not rather a miracle?

Passing through Pretoria, I was interested in the granite base which was being prepared for Kruger's bronze statue, and I wished that the British government had been the one to erect that memorial. After all, England reaped what Kruger had sown.

Standing in the Pretoria cemetery beside the humble grave of Paul Kruger and reading the inscription on the modest tombstone, I could not forget that he had rushed into the conflict with Great Britain, having more than a faint hope that the German Kaiser would come to his assistance, and that he had gone on a mission to Berlin to have his dream fulfilled. But Cecil Rhodes had been there first, and had the Kaiser shackled and muzzled. The price which Rhodes had paid was the securing to Germany the concession from Turkey of the control of the railway from Constantinople to Bagdad—a concession which nearly cost the Empire dear when the Great War came to a head.

Dr. Jamieson was Premier of Cape Colony at that time. He invited me to inspect the cold-storage accommodation for fruit in Cape Town, and showed me how it was sorted and packed for the London market. A small army of workers was engaged in grading, and carefully wrapping-up and packing selected pears, peaches and plums. Knowing the prices this fruit was sold for in the London shops, I said, "Your people must do pretty well on this fruit." He replied, "We do well if we get a half-penny a piece. I know only too well what it costs to buy such fruit in London.

But the fruit-brokers come to Southampton when the ships arrive, and fix the price. We must take what they offer or throw the fruit in the sea. We *must* sell. That is the way of it." "We are just in the same fix with our apples," said I. "Surely there is some way of remedying this."

More than once, Dr. Jamieson and several members of the Cabinet and I discussed the matter, and came to the conclusion that the only way to overcome the Fruit-Buyers' Combine was to have cold-storage accommodation on a large scale erected by the dock-side in England, to store perishable products directly on arrival, and "feed the market" as was needed. Said Dr. Jamieson, "We haven't the money to meet the expense." "What if Canada would join you?" said I. He answered quickly, "That's it! Sound Australia on your way to Japan; write to Laurier and see what can be done!"

Was it twenty years ago that we talked so hopefully together?

I wrote Sir Wilfrid, and he replied to me that he considered the matter so important that he had given a copy of my letter to every member of his Cabinet. Yet nothing happened. When I returned from Japan I took up the question thoroughly with Laurier, Fielding and Sir F. Borden. Fielding promised, in 1911, an estimate for $15,000,000 for a Cold-Storage Scheme before the House then in session. But the matter was postponed till "after the election." There *was* no after. . . . Then, with Laurier's consent, I went to a member of Sir Robert Borden's government. Consideration of the suggested scheme was promised, and there it ended.

Twenty years since Dr. Jamieson and I dreamed of a huge cold-storage building, beside the docks at

Southampton, owned by the Governments of Canada, Australia and South Africa—I could see that building in my mind's eye. I could see Empire-grown fruit, fresh, plentiful and cheap, sold all over England and Western Europe. I could see the grower getting a more equitable return for his labour under the hot summer sun and in the freezing winter winds. I could see a sane system of distribution, less in the interests of the shipper, the broker, the wholesaler, the railways and the retailer, with their losses and taxes all the way, in the long line between the producer and consumer.

But the vision grows dim. . . .

Government cold-storage facilities overseas means that the producer is protected from the maw of the British Fruit buyers' combine. I have seen Canadian apples selling from 1*s.* to 4*s.* per pound, equivalent to $35 and $140 per barrel. I have seen a drop in prices on arrival of fruit at Liverpool, and at the same time an increase in the retail prices to consumers in London. Canada exports from 1,250,000 to 1,500,000 barrels of apples annually to Great Britain. Instead of apple growers receiving from $3,000,000 to $5,000,000, they would receive from $5,000,000, if cold-storage was available such as the Dominion government could provide. With these facilities an immense market would open for grapes, pears, peaches and tomatoes. This trade would cease to be speculative. It would be as safe as in non-perishable articles. Fielding promised to handle, but lost his chance. Drury also promised, but Manning Doherty persuaded him to procrastinate. And the fruit growers continue to lose millions annually.

XXXVI

AUSTRALIA

For five days on the voyage from Cape Town to Australia the weather was wonderful. Then, in an hour, my little barometer dropped from 30.70 to 27.50. I thought I must have broken it. The sea was blue and calm except for a periodical serpent-like ripple on the surface. But the sailors were going around at the double, tightening guys and davits, while life-boats and movables were being extra-lashed, extra port-hole-lights being screwed down, and deck-doors strengthened with heavy hatches. It looked like business—and it was. I never want another experience like it. The typhoon was on us with the most appalling suddenness, and for forty-eight terrible hours we were tossed about like a cork on the waters. The amazing part was the way we passed out of it into comparative quiet within a few minutes, with the wind blowing gently from another quarter. But it was certainly borne in upon me that it is more than distance, great as that is, which separates Australia from Africa and Europe. An ocean subject to such fearful storms as that is no small obstacle. It was only a few weeks afterwards that the *Waratah*, taking the same route, disappeared without leaving a trace.

I was in Australia nearly a month and had an opportunity of seeing the fine work being done by the Trade Commissioner, Mr. Ross, who is still there, and Mr. J. S. Larke, who has since died. They were putting their hearts into their work as well as their time.

Mr. Larke and I had met several times in Canada to our mutual displeasure, as we had most violently disagreed on the political platform. At first, indeed, he thought I had come to criticize his work, and I was very glad to reassure him on that point. We discussed everything in a thoroughly amicable spirit together, our work, its difficulties and possibilities, and it was a great pleasure to me to report appreciatively to Ottawa about all that he was doing.

On the steamer from Sydney to Hong Kong, the next stage in our voyage to Japan, there was a large party of members of the Australian Parliament making a tour of inspection of the northern part of Australia. My interest in immigration was well known to them, and many discussions ensued on the question of a "White Australia." North of Brisbane, with the temperature getting hotter and hotter, where there is nearly half a continent producing every known tropical plant and tree, and capable of producing untold wealth—given over to rabbits and cobras, it is said—there was no answer to the enquiry: "What European could live here and work?"

But Australia says, "No coloured races need apply."

It is written, "The earth is the Lord's." But it does not work out that way—in Australia. The political Australian does not allow any such assumption. He wants it for the Englishman, although on half the continent, English settlers would fade as a leaf in a generation. Given an open door to continental Europe, and in less than a century Australia would rival the United States in population, wealth and power. But in a vast area where no Englishman can hope to labour and live, people who might develop its illimitable resources are not allowed to enter.

XXXVII

JAPAN

At the time I was in Japan, Sir Claude Macdonnell was the British Ambassador. My first acquaintance with him had been in London some years before and was rather amusing. He and Lady Macdonnell proposed returning to Japan by the Canadian Pacific steamer from Vancouver and, as he wished to reserve a private compartment in a parlour car across Canada, he called in a friendly way at the Canadian government Office in Victoria Street to see how it could be arranged.

The Canadian official who guarded the portals of the High Commissioner's sanctum was not sufficiently acquainted with the appearance of aristocracy in mufti, and did not realize that this gentleman in unassuming-looking tweed clothes was a British Ambassador. He was asked his business. "Something about Canada," said His Excellency. "Come with me," said the official, and straightway brought him across the corridor into my office, saying, offhand, "Some enquiries about Canada." While I was taking in the fact that "someone had blundered," Sir Claude began to explain what he had come for. I said I was sure Lord Strathcona would be delighted to have it arranged for him. "You see what has happened," said he with a smile. "I do not wish to return there. Can't you do it for me?" I told him I would cable the Minister of Railways to have one of the government private cars placed at his disposal and would have word for

him next day. Next day a cable came from Laurier, assuring me that everything would be done to make the British Ambassador's trip pleasant across Canada. A few days later Lord Strathcona sent for me in a very bad temper. "What do you mean by cabling Ottawa about Sir Claude Macdonnell?" I was sorry for the official, but the explanation had to be given; and as I had no desire to witness the "wigging" he was certain to get, I started to leave the room. But I had to smile as his bewildered accents reaching my ears, "Why, was he that tall, farmer-like chap?" and his lordship's furious rejoinder, "Get out of my sight!"

Sir Claude was quite *persona grata* at the Japanese Court, and by far the most popular of the diplomatic corps. Long before, he had insisted that the Japanese troops who had prevented the destruction and sacking of the British Embassy at Peking during the Boxer riots should have their bravery recognized; and undoubtedly he was one of the moving spirits in getting through the Anglo-Japanese Treaty, which has helped to make so much history since. I had written to him intimating my expectation of visiting Japan officially, and had been given the most cordial invitation to call at the Embassy on my arrival. He received me with the utmost kindness, introducing me to his friends and the other officials, and giving me the best possible start in a position not without its difficulties. Until I got to Japan, I did not quite realize the reason for my appointment. The Canadian official already there was rather resentful of my coming, imagining that I was to take his place. He was slow to realize that the government in appointing me had other ends in view.

From the first I saw that a big market was open for two Canadian products—flour and timber. I got

an introduction to the authorities at Sasebo, Japan's naval base, to which foreigners were very seldom allowed access—plenty of timber, British Columbia fir, wanted there. I paid a visit to the Chinese naval depot north of Shanghai, which was equally encouraging. At Canton, too, building timber and railway ties were wanted in enormous quantities. Sir Francis Lugard, Governor of Hong Kong, gave me an introduction to the British naval people, who also wanted timber. They had been getting it from Seattle, U.S.A. Why not from Canada?

While looking into this question, it was satisfactory to find that an interest was being taken in my mission to the Far East in other than official circles. Evidence of this reached me by letters from home, not the least interesting being more than one from the late John Ross Robertson, of the Toronto *Telegram*, and Conservative M.P. for a Toronto constituency. Writing in October, 1908, Mr. Robertson said:—

> "I do hope the policy of the Canadian Pacific railway will be thoroughly exposed in your reports to the government. The C.P.R. makes a great noise about what they are doing, but they are more anxious to work up a passenger business, instead of a freight business. The little freight they do carry from this side they are compelled to carry. . ."

The simple truth is that the policy of the C.P.R. with respect to trade with the East was calculated to assist in exporting lumber from the State of Washington via Seattle, rather than Canadian lumber from Vancouver.

Here was the snag. The cost of timber from Canada was greater than that from the States, due to transport rates.

Official documents came into my hands, proving that there was an arrangement between the American

steamship line from Seattle and the Canadian Pacific Steamship Line, whereby the latter should have practically a monopoly of the tea and silk trade at their own rates over the Canadian Pacific railway to New York; while the American lines were allowed to quote a lower rate on timber. It should be emphasized that at this time the Canadian Pacific steamship service was in receipt of a subsidy from the Canadian government. This subsidy was increased later to $137,000, with no stipulation for favourable rates for Canadian products, but rather with the door left open for a discrimination against Canada.

"Behold how great a fire a little spark kindleth." I was to get an illustration of that. The spark was a piece of cheese, and it provided a magnificent blaze. One day came a rumour that Messrs. Lane, Crawford and Company, a very large firm of importers, had received a supply of Canadian cheese that was unsatisfactory. I went to the permanent Trade Commissioner for Canada and suggested an inquiry. He shook his head. "No, Mr. Preston," said he, "I never go around looking for trouble!" As, unfortunately, looking for trouble was part of my job, I went to the manager of the firm aforesaid and was given the information that all the large importing firms had their purchasing agents in New York and San Francisco, who did their buying for them on a commission basis. The cheese had come from the latter place. "We want no more MacLaren's cheese!" I submitted with indignation that MacLaren's was the most popular cheese in America, and sold all over Europe; "an enemy hath done this thing," perhaps old stock had been deliberately sent. "Why don't you buy direct from Canada?" Here was my slogan to hand. An official report followed, on the advantages of direct

trade with Canada. About this time there was a big Trade Congress in Tokio of various Chambers of Commerce from all over Japan. I was asked to accompany Count Okama, an ex-Prime Minister, and address the meeting. I wrote my speech, so it should be printed in Japanese and distributed at the Congress. My subject was "Direct trade between Canada and Japan." It was reported in full by the newspapers all over Japan.

A day or two later the storm broke. British, American and German commission merchants rose up and with one voice protesting against this official who dared to interfere with their business. The newspapers controlled by them, particularly one under German influence in Yokohama, and another in Kobe owned by a rabid anti-Japanese Scotsman, named Young, were extremely virulent. The latter wrote that the Canadian representative would be better employed in pointing out the dishonesty in business of the Japanese, than in encouraging his countrymen to trade with them. He also made remarks as to the iniquity of injuring the commission merchants and ruining their businesses. I explained in press and personal interviews that I had made every effort to persuade the commission fraternity to handle Canadian goods—which they had all refused to do. I explained that I was trying to establish a new business, which did not interfere with any existing trade. I championed the Japanese as merchants, saying they were no doubt as fair in trade as ours. In fact, I am not sure I did not say they were better than some of the samples I was up against. So for eighteen months the controversy raged, spreading even to the Chinese papers.

Meantime, someone in Canada, carefully ignoring the fact that I was fighting my country's battle against

a trade-ring, controlled by Americans and Germans, sent a scrap-book of clippings to the Kobe newspaper containing almost every personal attack which had been made on me in the press and in parliament in Canada for thirty years past. The next issue of the Kobe paper made a lawsuit for libel imperative.

The procedure of a trial for libel in Japan is different from ours. The parties immediately concerned do not give evidence, nor is the evidence of any relative admitted. Counsel may suggest a line of enquiry, but are not permitted to ask questions, nor address the Court. All documents are given in to the Court to be read at leisure by the Judges. The case may be adjourned for two or three weeks as in this case, to be resumed in another judicial district. The defendant filed his evidence—a pile of newspaper clippings from Tory sources, expressing every sort of personal denunciation of me—which it was quite obvious was not at all to the point, the real question for the Japanese Court was whether I was carrying out my country's business. The Court gave me judgment in one case for 5,000 yen, and 2,000 in another; and insisted upon the publication of an abject apology by the defendants. Of course the Japanese newspapers took a hand in the affair, publishing many columns of the kindest possible appreciations of me, a good deal of which I filed in rebuttal of the abuse my own country had let loose upon me.

The decision was highly popular with the Japanese. The governor of Osaka sent his carriage to the Court for me, to bring me to luncheon with him. He had travelled in Europe and spoke fluent English. As for the Japanese press, they lauded me to the skies. Indeed it was said of me as of Solomon by the Queen of Sheba, "Behold the half of thy wisdom hath not been told me."

But the sequel must be told. Prompted by the American and German Ministers, the foreign ambassadors insisted that Sir Claude Macdonnell, as the chief representative of the Empire, should take steps to prevent any further reference to direct trade with Canada and Japan, alleging that such a policy would tend to harm the existing commission houses. Sir Claude sent for me, regretting the proportions which the matter had assumed, which he admitted was not in the least my fault. But, he contended, that my official status was not sufficiently clearly-defined for him to back me in the trouble his German and American confreres were making for him, as my advocacy of direct trade was strongly resented by the commission merchants. He asked what action I proposed taking in the matter of the complaints. I said I would put on record officially that I was carrying out the wishes of my government. I did. Here is the letter.

His Excellency,
Sir Claude Macdonnell,
British Embassy, Tokio.

Dear Sir:

Acknowledging the receipt of your Excellency's communication of recent date, respecting the representation made by the Ministers of the United States and Germany, will your Excellency do me the kindness of conveying to their Excellencies, the Ministers of the United States and Germany, the expression of my most profound respect; and intimate to their Excellencies that unfortunately my official position compels me to take my instructions from Ottawa, and not from either Washington or Berlin.

I have the honour to be
Your Excellency's most obedient servant,
(Signed) W. T. R. Preston,
Commissioner of Trade for Canada.

With such difficulties as the above to record amongst men of my own race, it is some satisfaction to turn to the appreciation shown me by the Japanese. Shortly after this episode came the celebration of the Emperor's birthday. To none but the very elect are invitations issued, to the great banquet celebrating the event given by the Japanese Minister for Foreign Affairs. A place was allotted to me with the most distinguished there. At the conclusion of the banquet, as the company was rising to return to the reception room, a messenger handed me a card from the Foreign Minister, "Meet me at the end of the table." Viscount Komura took my arm, and leading me to a corner of the room he presented me for nearly an hour to Japanese men highest in the service of their country; ignoring the other foreign guests who had to maintain their dignity as best they could, while I, who was not thought to have sufficient official status by our own Ambassador, monopolized the attention of our host. The little snub to the Ambassadors and other foreigners present was amusing. It was intended as an expression of Japanese opinion. After that I was let alone.

* * * *

Amongst my most interesting experiences in Japan was my visit to Korea. This province had been taken under Japanese suzerainty for very much the same reasons which compelled the United States to take over Cuba. It had been in a terrible condition, the people and even the fields ravaged by disease and parasites. The Japanese established Courts of Justice, superseding the corrupt and supine Chinese administration; they built hospitals and schools; they made roads; they organized a postal service, and sanitation. The

hospital at Souel was the finest I had ever seen, from six to eight hundred Koreans being treated free every day by the best Japanese doctors and surgeons, who spent (in rotation) a certain number of weeks there each year without remuneration.

Shortly afterwards I was invited to visit Prince Ito, one of the leading Japanese statesmen, and the one perhaps closest of all in the counsels of the Emperor, who had himself presented the Prince with the beautiful palace at Omori in which he lived, as a mark of esteem. Our western civilization boasts of beautiful homes, and we have good reason to be proud of our standard of applied art. . . . Yet, in this wonderful palace of Prince Ito's were examples of beauty and exquisite workmanship such as I had never yet seen. Each piece of furniture was a gem. And with it all, an effect of reticence and reserve which we in the west do not always achieve in our over-furnished houses. To see a Japanese gentleman take out his treasures from the closed cabinet in which they are kept, to show to a visitor, is to have an example of how gracious an art may be made of possession. Without pride or ostentation, in his intense appreciation and almost reverent regard for beauty and fine workmanship, he causes to live again the artist's joy in creation.

Prince Ito was one of the most powerful and original minds I ever had the honour of coming into contact with. He had had an immense experience of men and affairs, dating from the time, nearly forty years before, when as an adventurous boy he had run away from home and shipped to London in a wind-jammer. Yet he was anything but a mere soldier of fortune. Of a set and iron purpose he had gathered knowledge in many parts of the world, determined to come home with his sheaves, and place all that he had learned, and

himself, at the service of his country and his Emperor. We talked long and of many matters. Touching Korea, he spoke with less reserve than I expected. Apparently the Japanese were of a divided mind where Korea was concerned, one party wishing to continue the suzerainty, the other desirous of assuming a more positive form of control. Prince Ito was very clear as to his views. He drew me to a window looking out on the garden and showed me some little boys happily at play. Pointing to one, he said, "You see that lad? He is the Crown Prince of Korea, and has been sent here to be educated. The dearest wish and greatest ambition of my life is to see him secure upon the throne of Korea in friendly alliance with our Emperor."

Alas! How often does a power beyond our ken dispose of our dreams and hopes! Within a few short years Prince Ito met his death at the hands of a Korean assassin. He, who stood as the chief barrier to the annexation of Korea by Japan! After his untimely death the Japanese government had no hesitation in taking over Korea and governing it with a firm hand. But that day as I came back to Tokio in the train I mused, and wondered why Anglo-Saxons imagine that their race has so entirely a monopoly of Imperialistic sentiments.

* * * *

The appalling earthquake of 1909 made me realize that I could not remain in Japan. Neither my wife's nerves nor mine would stand the strain; and it did not seem fair to our children. So I wrote to the department at Ottawa, intimating my departure as soon as a successor could arrive. The Japanese were most solicitous. They placed a private car at my disposal

on the State railway; and for ten days I had a triumphal tour, visiting the manufacturing centres, accompanied by an army of interpreters and newspaper correspondents who were to see that I missed nothing. I talked with Governors, Mayors and the heads of Chambers of Commerce, at luncheons, banquets and receptions of all kinds. At Nagoya there was one huge hall entirely filled with the city's industrial products. Nothing could be more encouraging. The doors of trade were wide open. I comforted myself by thinking that, after all, my work had not been in vain, that "all things work together for good."

But again I was to have the pain, beyond words, of seeing failure written across my work. My successor came two or three days before I was due to leave. The Yokohama Chamber of Commerce gave a banquet to which he was invited alone. My horror on opening the paper the next morning can never be described. Here was a verbatim speech from the newly appointed Trades Commissioner denouncing the Japanese! I hastened to Tokio to apologize to the high officials to whom I had introduced him the previous day. They had already been informed that this man's expressions of opinions against the Japanese had disgusted his fellow-travellers on shipboard. One of the officers added, "No Japanese, either to buy or sell, will ever cross the threshold of that office again!"

I left Japan heartbroken. All my work in ruins. It is not easy to be forced to quarrel and dispute with the men of my own race, when one would so much rather get on easily and pleasantly with those about one. My position had been a hard one, playing a lone hand in the face of misinterpretation and dislike. I had done my best. I had succeeded. And my

government had let me down. The man they appointed in my place had eventually to leave Japan because of an episode too sordid for print.

Ichabod.

* * * *

The Far East remains an abiding interest to one who has been there, especially from the point of view of the attitude of the West to the East. We exploited the East before we tried to civilize it, or rather tried to impose our own type of civilization on it. Before the doors of Japan were open to the West, the coinage of the Empire was gold, representing the accumulated efforts of centuries. The West came to trade, a jug-handled exchange of values. European blankets that were worth 4s. ($1) at the outside were exchanged for $20 in gold, and other western articles of commerce were sold on the same basis of value. In ten years there was no more Japanese gold. The gold coinage of those early years, while Japan was learning the beauties of western civilization, is only seen now in the museum of the Royal Mint at Tokio.

The instruction of the Japanese in the civilization of the West began to bear fruit. In every nation and people are shrewd instincts of business; in the East they are born traders. Japanese merchants noted that these western people were becoming enormously wealthy through the sale of Japanese products in the western world. The Japanese wanted to get into that market themselves, where they could make their own margin of profit. Seeing their position threatened, the entire body of western traders lifted their voices with one accord, "The Japanese are dishonest. They can't be trusted." The Japanese tried to do business for themselves, but this carefully fostered libel closed

the doors most effectively. Mr. Otani, then the largest tea dealer in Japan, went to Europe and America. His samples were all that could be desired, but New York and London shook their heads, "We can't trust the Japanese; the goods won't be equal to sample." Otani had to return and was compelled to sell his tea to the Yokohama Europeans. Finally he succeeded. He proved that his countrymen had been basely slandered. When I met him his hair was white, his features deeply marked, but his figure was as straight as an arrow, and his wealth was enormous. The world has since learned that the Japanese are as honest, upright and honourable as any nation in the world, and a deal sight more honest, upright and honourable than many of the western commission merchants who shamefully libelled them for their own ends. The East has been very patient with the arrogance and presumption of Westerners. Newspapers published in English, containing the most vilely abusive references to the Japanese people and their government have been allowed to go on their nefarious way unpunished. For long, Westerners formed alliances with Japanese women and lived with them for years, then abandoned them with their children to look after themselves as best they could. The government was forced to take the matter in hand, and these men found the police looking after them when they attempted to leave the country. Eventually no departure in these cases was permitted until adequate provision had been made for the wives and children of these unions. Loti's sad little story of Madame Chrysanthéme is more romance than tragedy. The grim reality, is that the Westerner in the East who forgets or ignores his obligations to his own race and its standards of morality, is sowing dragon's teeth. . . .

XXXVIII

THE LEMIEUX MISSION TO JAPAN

Few people in Canada can have an idea what a delicate task was undertaken by Hon. Rodolphe Lemieux when he was sent to Japan in 1908 to discuss with the Japanese government the question of restricting the immigration of the Japanese into this country. The influx into British Columbia had become quite abnormal. In the period 1906-07 it had been a disturbing factor in the labour market. Western Canadians did not especially object to cheap Chinese and Japanese labour in the lumber camps, on the railways and as casual labourers generally. But with a certain invasion into the skilled branches of labour (painters and decorators' trades, builders and printers, etc.) there were fears that "white labour" would be at too great a disadvantage in the West unless the immigration of Orientals was severely restricted. In the Canadian point of view it was quite a simple question, devoid of complications. To the British Embassy at Tokio, one of the outposts in the far-flung business of British diplomacy, it was an extremely delicate matter. By the Japanese Foreign and Home Offices it might have been taken as an insult, with very unpleasant consequences.

Japan had fairly won her place in the community of highly civilized nations by her victory over China and her astonishing triumph over Russia in 1906. Her Treaty of Alliance with Great Britain had set the seal on her position as a Great Power, with the western

nations. So important was this treaty regarded in Japan that its promulgation was celebrated with a whole week of official festivities. No disturbance of these carefully-engendered cordial international relations but would be viewed with alarm by the English government in whose eyes—long trained to far vision—it was the "guard on the flank." And such the Anglo-Japanese Alliance turned out to be in the Great War. It will thus be understood why the Canadian labour question could not take precedence of the deeper diplomatic game.

So-called "open diplomacy" sounds reasonable and attractive. Why not let the public know everything that governments are doing? Why should not the administrative acts of a democratic government be as open as the day? The idea seems rational. But it is both dangerous and foolish. An ambassador runs the risk of failure if he travels with a brass band. No Embassy runs a press bureau unless it is out to look for trouble. Mr. Lemieux's mission almost failed on this account. Unwise reports of it had been announced in the press; still more impolitic cables had been despatched to Japan. The press must have liberty. But sometimes there are those in newspapers and bureaux who think only of publishing news regardless of implications and the dangerous effect it may have on large and complicated issues.

Ten days before Mr. Lemieux was due in Japan, I had trustworthy information that serious trouble might be expected on his arrival. I went to the British Embassy about it, and was advised to see Viscount Hayashi, the Foreign Minister. I put the matter to His Excellency and ventured to suggest that his department might announce that the Conference with Mr. Lemieux was with the approval of the Emperor's

advisers. After some consideration this suggestion was acted upon, and was coupled with the statement that one of the Imperial palaces would be placed at the disposal of the Canadian Mission. By this means, resentment on the part of the Japanese public was effectively checked, and Mr. Lemieux landed at Yokohama without the unseemly demonstration which might have taken place.

In a confidential letter to a member of the Government at Ottawa, I said:

> I am prompted to write you on account of finding Lemieux somewhat discouraged by the failure of those in authority to appreciate the peculiar and delicate position he is in over here. Only one who has been in Japan can understand the difficulties of the negotiations which the Canadian government desire to bring to a satisfactory conclusion. Before Lemieux's arrival Sir Claude Macdonnell took a very discouraging view of the prospects of the settlement, but Lemieux has brought the Ambassador every step of the way with him. . . . To attempt to go to the length of the letter of the Consul-General at Ottawa would be the height of absurdity, Viscount Hayashi might be personally attacked here even to the point of a bomb outrage; this is the opinion at the British Embassy. . . . Lemieux has secured concessions which Sir Claude did not believe possible. He has had a most difficult task and with rare courage and consummate tact he has had an astonishing success." . . .

It was no ordinary interchange of diplomatic amenities which brought the Canadian Envoy and the Japanese Minister, each to appreciate the point of view of the other, and to come to an arrangement which has stood the test of twenty years. Lemieux was quick to grasp the large issues with which he found himself

confronted; he brought sincerity and courage, and above all, an earnest desire to be absolutely fair, to the task. The government at Ottawa would have liked to see more definite restrictive concessions made. Yet time has shown the wisdom of moderation and Lemieux has been justified to the full.

* * * *

In the Far East every thoughtful and sympathetic traveller hears a great deal of talk, perhaps not religious in any narrow sense of the word, but serious talk about religion. Once at Hong Kong I went to a lecture on Christian Science, given in the largest hall there. Whether it came out of curiosity or real interest I cannot say, but the crowd was one which could hardly be brought together for a similar purpose in this country. Speaking generally, any remark as to the work of the missionaires in the East brings about an earnest discussion of religion. A majority of the tourists in Japan were Americans, many of them actively identified with various phases of church work in their own home towns. They always wondered, as do others, why Protestant missions in the East have not been more successful. It may be a dangerous matter to discuss, but perhaps a word or two from a not unsympathetic observer may be permitted.

The earliest Christian injunction, "Go ye into all the world," has never been taken more seriously than by the Society of Jesus. In 1547 Francis Xavier carried the banner of the Cross to far Japan. For fifty years the Jesuits laboured there with all the ardour which has ever characterized them. Their converts numbered tens of thousands from the governing classes to humblest peasants, in a comparatively brief period.

Owing to their efforts, the Christian faith was undoubtedly taking the place of the arid precepts of Buddhism in the hearts of the people.

In Europe, on the contrary, the first great christianizing wave had spent its initial force. The Roman Church of that day was less Christian than it was materialistic, official and political. The ebb-tide had set in, and with it the reactionary persecutions against the ideals of religious and intellectual freedom of which the Reformation was the expression. In the Netherlands, in especial, the persecutions and attempts to crush out and destroy the movement toward religious freedom reached the point of utter savagery under Philip II of Spain and his lord-high-executioner, the Duke of Alva, of evil memory. This was to have a fatalistic repercussion in far-away Japan, and on the Society of Jesus and its work there.

Early in the seventeenth century Dutch mariners appeared in Japan. They were brave and able men to have made that voyage. They were burning with hatred against the Spanish oppressors of their country, and the assassinators of their Prince, William of Orange. Japan at that time was in the throes of a civil war. The Dutchmen obtained a footing in one of the factions, whose leader afterwards founded the Tokugawa Dynasty. They took the opportunity of avenging the wrongs of their country by impressing the conquerors with the idea that the Jesuits were preparing the way for Spanish aggression in Japan. The result was indeed an avenging! Whatever punishment had been meted out to heretics, whatever deterring ecclesiastical methods applied to the protagonists of the Reformation in Europe, were as nothing to what took place in Japan. The native Christians with their leaders made a stand against the rising tide of

persecution; but in vain. The horrors that followed are impossible to describe. Suffice it to say that in thirteen years 280,000 Japanese Catholic Christians met their death at the stake, by beheading and drowning, and by tortures too frightful to speak of. Thousands were terrified into concealing their Faith. The government caused to be engraved upon blocks of wood figures representing the Virgin and Child, which were taken from village to village and the inhabitants commanded to walk over them. No Christian would place his foot upon the Symbol of his belief, and thousands more were betrayed to a horrible death. These blocks are now to be seen in the National Museum at Tokio.

Yet tradition takes strange root in the hearts and the customs of a people. I have been assured that it is almost universal amongst Japanese children to make the sign of the cross in emphasis of childish statement, though no one can give an explanation of such a custom.

Two hundred and fifty years after the supposed destruction of Catholic Christianity in Japan, the Jesuits returned; and what was their joy and triumph to find that in a remote village in the southern part of Japan there was still a tradition of a Virgin Marie, handed on from generation to generation all those years. And again, when, after the revolution of 1868, an order was issued that the inner shrines of all the Buddhist temples should be opened, in a temple at Sendai, in an inner case in the shrine, there was discovered a painting of a Madonna with the Infant Jesus in her arms. Its conception is of the sixteenth century type, and there is little doubt but that this symbol of Christianity was hidden there by a community of Christians, who sought to hide from the persecutions by gathering for their worship in a Buddhist temple.

Three hundred years after Francis Xavier stood upon the shores of Japan, this far eastern Empire threw open its doors to western civilization, though, it appears, not without misgivings as to the possible effects of a flood of European religious controversy let loose in the land. In the 'seventies of the last century, the missionary spirit was strangely moved to carry the message of the Gospel to this people. The Roman and Greek Catholics confined themselves for the greater part to the simple Message of Christ as the world's Redeemer. The Protestant denominations, however, considered that they had a wider responsibility in bringing Japanese ideas into line with the West in a variety of ways, socially, educationally and ethically. It is beginning to be recognized now that an evangelical movement would have been the better policy. "Seek ye *first* the Kingdom of Heaven, and all things will be added" was the greater wisdom. We lost our great opportunity in Japan. . . . Will it ever come again?

In Korea, Korean native Christianity solved the problem on sounder lines. The results there, of Koreans preaching to Koreans, should teach western Christianity a lesson. It is amazing. I entered the native church at Ping Yang one Sunday morning. The service had been going on for two hours, and continued for another hour whilst I was there. The concentrated and intense devotion during that time was perfectly wonderful to watch and most moving to take part in. The final hymn was "Holy, Holy, Holy." An usher handed me a Korean hymn book, but knowing the beautiful hymn by heart I joined in their earnest praise in my own tongue. After heartfelt mutual greetings, I went back to my hotel, pondering deeply over this illustration of what a people can do on their own, if given a proper chance.

While in Japan I had a very encouraging experience which I am tempted to put on record, less from its personal application than as an instance of what can be done in an official capacity. I went to meet the *Empress* as usual one week and was told by the Captain that there was a young man on board who was anxiously inquiring as to the possibility of seeing me at the dock at Yokohama. A few minutes afterwards, while we were still on board, he came up to me diffidently introducing himself, and calling to my mind that he had come to see me in the London Immigration Office six years previously, inquiring about Canada. He reminded me that I had urged him to attach himself to some church on his arrival in Canada—as indeed I did always; knowing that companionship in a church-going community is a safer environment for a young stranger than any other. He said that the suggestion did not appeal at all to him at the time, and he had very frankly said so, that "If he could not get on without hanging on to a preacher's coat-tail, he'd rather stay at home!" But he had thought better of it, and when he arrived in Winnipeg he attached himself to Grace Methodist Church. The conclusion of his story came as a surprise, "I am now on my way to China as a missionary."

So, apparently, even an official can do a little stray good now and then!

Later on I spent an afternoon with Bishop Nikola at Tokio, the only Greek Church missionary in Japan for thirty years, and heard from his own lips the account of his success with almost thirty thousand converts. I spent a most delightful couple of hours with the venerable Roman Catholic Archbishop of Tokio, discussing missionary work. I am only sorry that in regard to the matter respecting which this

charming prelate opened his heart to me, a Protestant, I do not feel at liberty to publish my vivid recollections of what was said. I visited Protestant churches only to find them sparsely attended. The Salvation Army gave more evidence of widespread interest. The Greek and Roman Churches were crowded. The gorgeous ritual might have an attraction in contrast with our unadorned service, but the evidence of fervent devotion was there. One conclusion was inevitable. As Protestants we had wasted time, money and vital energy, but, more important than all, we had wasted opportunity. We were giving too much consideration to secular matters, and neglecting "The One Great Thing." This is as the situation appeared to me, and I accepted it reluctantly twenty years ago. If it were safe to venture an opinion, I would say that not until the Japanese Protestant Christian ministry assume full responsibility for the missionary propaganda, and are moved with a mighty Pentecostal spiritualism, will Protestant missionary hopes in that land be realized. This applies with equal force to China.

XXXIX

"THESE ARE THE TIMES THAT TRY MEN'S SOULS"
—*Paine*

When I returned to Ottawa from Japan, Sir Wilfrid Laurier and Sir Richard Cartwright informed me that it was intended I should be appointed Chief Trade Commissioner for Europe, having the oversight of the British offices. It was in pursuance of this intention that I had already received the following letter:

> "When your old friend, Lord Strathcona, is no more, I would like to see you in charge of the Trade Offices in London. . . . I thought I would let you know what is in my mind."

The first hint that I might be asked to go to London reaching the ears of Lord Strathcona brought violent protests by letter and cable, followed by his lordship's presence, exuding fire and brimstone. The fear that his millions and the influence of the Canadian Pacific railway might be used against the government was still effective; and I was asked to go to Holland temporarily. In the meantime I had received a flattering offer from a very large American corporation in Pittsburg, U.S.A., but Laurier and Cartwright begged me to remain in the service of the government, and promised that matters would be satisfactorily settled if I would be patient. So, pending final arrangement, I went to Amsterdam as Trade Commissioner.

There was little to do. I had very pleasant friendships in Consular and Ambassadorial circles. I had the honour of being presented to the Queen of Holland

on the occasion of a formal visit of Her Majesty to Amsterdam, and had some talk with her about Canada. At that time she was very handsome in a quiet way, with great force of character and natural dignity in her mien and demeanor. Her dress was rich, but sober (which is an eminently Dutch characteristic), and her jewels were magnificent. She looked what she was, the descendant of a long line of able and noble rulers. Her Court was strict and exclusive—extremely so. On the occasion of an arbitration at the Hague, some young American attaches, connected with the legal staff of the American Embassy, intimated to their Ambassador how much they would appreciate being included in an invitation to Her Majesty's palace at Loo. "I could as easily get you through the gates of Paradise" was the Ambassador's forcible, if irreverent, comment on his fellow-countrymen's suggestion.

The State Church of Holland is Lutheran, but Protestants and Catholics share equally in political and religious liberty. The Princes of the House of Orange have upheld the ideals of civil and religious liberty through generations of storm and stress in every state in Europe, when other rulers held such ideas to be at the beck and call of expediency only. The sane and solid Dutch mind seems to be entirely without rancour in its memories even of the frightful religious persecutions under Philip of Spain and Alva in the sixteenth century.

Remembering that a Prince of Her Majesty's House had once occupied the throne of England, I wondered about the relations between the two present Courts, in that there had not been the royal visits so usual with reigning sovereigns between the Court of St. James and that of the Queen of Holland; and I was tempted to make an enquiry of a prominent diplomat,

that same evening, at the palace. "You do not know why we have a Queen instead of a King?" said he. "Come to the Hague one day and I will show you the official record." The story was that an Exalted young Englishman and the Crown Prince of Holland met one evening on the staircase, on their way to the fashionable and much-frequented salon of a reigning beauty in Paris. There was a laughing, boyish argument as to precedence on the turn of the marble stairs . . . a merry jest, a careless step, a slipped footing, an unbalanced youthful figure falling backwards—and the heir to the throne of Holland fell—never to rise again.

A state governed by a Queen is in a more difficult position politically than one with a King at its head, hence a resentment too deep for healing, even in two generations.

* * * *

Holland is from six to thirteen feet below the level of the sea. Yet her people live in security behind three great series of dykes. The problems of sanitation and drainage have been solved by engineering works of the most extraordinary and complex type. I made a study of their filtration process for the drinking-water, and sent a report of it to the Department of Trade and Commerce at Ottawa. At Rotterdam the water is rank poison, but after the filtration system the Dutch use, it becomes practically the purest in the world and zymotic diseases are almost unknown. This is achieved without the chlorination so usual over here in Canada. The chlorination we have in Toronto, Montreal, Hamilton and Ottawa would not be permitted under any circumstances in Holland. I showed a Dutch engineer a map of Canada, and explained how, in spite

of such a system of waterways as we in Canada enjoy, what doctored water we had to drink. His remark was illuminating: "Have you no engineers in Canada? Or are your people fools?"

From my office in Amsterdam I could not see that the prospects of trade and emigration were much to write home about. Nevertheless, it occurred to me that Dutch capital might be diverted or encouraged in the direction of Canada. After some intensive study of conditions on my part, and enquiries amongst bankers, and others, the whole outlook became much more encouraging. A company was formed to loan money in Western Canada. It became known in Canada that an effort was being made to attract Dutch capital and I received a large number of enquiries.

At this time the Hague tribunal was in session, arbitrating in a dispute between Canada and the United States. Sir Charles Fitzpatrick was the Canadian representative, Sir Allen Aylesworth had charge of the Canadian case, and Judge Lohman was presiding. Amongst the supporters of the projected Loan Company was another Judge Lohman, very wealthy and highly esteemed in financial circles, not only in Holland but in western Germany. One day the promoter of the company came to me and told me the project was all "off." He refused to give me any information, excepting that a prominent Canadian had told his colleague that to loan money in the Dominion was not only a risk but might be a total loss! No pressure would induce him to say anything more. I offered to get letters of recommendation from every Bank in Canada, from any leading public man in Canada, or from any authority he would care to have an opinion from, but it was useless. A little later I heard he was ill, a nervous breakdown brought on by disappointment over the

failure of his scheme. I went to see him again. "You must tell me what is behind this collapse of your project!" Pointing to a letter on his table, he said, "Read that." It was in Dutch, but I had learned enough of the language to get the gist. It was from Justice Lohman, explaining that at a dinner given by his brother, the President of the Arbitration Tribunal, he had met Sir Charles Fitzpatrick, who, in answer to enquiries, had warned him not to encourage his fellow-countrymen to invest money in Canada, particularly in Western Canada. Sir Charles had assured his interlocutor that the country would never prosper, and that anyone investing money would lose it. I said that I must see Judge Lohman and would write him at once. He answered me by return mail asking me to lunch with him at the Hague. And he then told me the whole shameful story; and yet, how Sir Charles had impressed him by saying "he had nothing to live for but his religious devotions." The Judge gave me a statement in his own handwriting with the story in full, and his permission to use it as I thought fit.

A few days later came a cable from Sir Richard Cartwright asking for information about the collapse of the Dutch Loan Company. I replied that the matter had better be dropped. Another cable came from Canada, that it was not for me to decide about the matter being dropped, that there must be the fullest information. Then I cabled the full story, in a private cipher. Three days later, in London, a Canadian press representative showed me a copy of the *Times*, which contained a cable from Ottawa, giving an account of the proceedings in Parliament over the matter; Sir Wilfrid had read my cable, and then had read a letter from Sir Charles Fitzpatrick, who denied that he had ever had any such conversation with anyone in

Holland; and Sir Wilfrid had intimated that under the circumstances "he was compelled to accept the word of the Chief Justice of the Supreme Court."

Well, it was a hot reply that reached the Canadian newspapers in the form of an interview the next morning!

A libel suit against an Ottawa newspaper followed.

When the case came to Court I addressed the jury for two hours, explaining my evidence against Sir Charles Fitzpatrick, which was corroborated by Sir Wilfrid Laurier, one of my witnesses at his own suggestion. Justice Riddell, who presided, expressed the view to the defendant's counsel that the parties should effect a settlement out of Court. The next morning an apology was offered for the libel, and the case was dropped. Thanks to the intervention of Justice Riddell, the Chief Justice of the Supreme Court was spared an exposure which could not have but impaired his usefulness in that sphere, and might have forced him to resign.

Sir Charles Fitzpatrick was the evil genius of Laurier's Cabinet. He determined to make it impossible for Tarte, Blair and Sifton to remain in the government. Tarte flirted with Protection, unconsciously played Fitzpatrick's game, and was compelled to resign. Fitzpatrick persuaded Laurier to trust him in the negotiations about the Grand Trunk Pacific, instead of Blair, Minister of Railways. Blair subsequently resigned. Then Fitzpatrick sharpened his knife for Sifton. At the first sign of this treachery, Sifton resigned. To trust Fitzpatrick in preference to Blair, or to retain Fitzpatrick in preference to Sifton, is an unexplainable mystery. Laurier's eyes opened when it was too late.

XL

PEACE AT A PRICE

Few questions were a matter of graver concern to Laurier during his whole term of office than that of the Alaska boundary. The protocol arranged with the United States had stipulated that none but jurists should act as arbitrators. Laurier nominated Sir Louis Jette, Chief Justice of the Quebec Courts, and Mr. Allen Aylesworth, K.C. (afterwards Sir Allen). The Imperial government appointed Lord Alvestone, Chief Justice of the Court of Appeal. Meanwhile Theodore Roosevelt became President of the United States. He refused to be bound by the terms of the protocol and instead of jurists he appointed politicians. Protests were unavailing.

The first uneasiness came from a well-authenticated report, that at a week-end gathering at Sir Charles Rose's, Lord Alvestone had carelessly remarked that Canadian interests in the question were not worth considering, in comparison to the necessity for friendly relations between Great Britain and the United States.

The arbitration went on. Hon. Clifford Sifton represented the Dominion government. Canadian Counsel presented such an array of evidence in favour of their country's contention, that Lord Alverstone was won over to the Canadian side. At the close of the argument as the Tribunal was adjourning for the day, he informally handed to each party a precis of his decision; the decision on all vital points being in favour of the Canadian contention. That evening,

the cables were hot with despatches to Washington. At ten o'clock at night the United States Ambassador called upon the British Minister for Foreign Affairs with the intimation that President Roosevelt refused to accept the award. At two o'clock in the morning a government messenger wakened Lord Alvestone with instruction to repair immediately to the Ministry for Foreign Affairs. The situation was grave, presenting a choice between a break with President Roosevelt or the withdrawal of the award. The latter was decided upon. Before the hour of meeting the next morning, Lord Alvestone asked the Canadian representatives to return his memorandum, the reason being soon disclosed. Jette and Aylesworth were bitterly indignant that a political consideration should take precedence of the legal position. They wanted to retire from the Tribunal; but Laurier would not have this done. Lord Alvestone then gave another judgment, awarding to the United States even more than its representatives had claimed. Thus, with the aid of Lord Lansdowne (living up to the tradition of his family), American "diplomacy" had won its case again. Won, as usual, by the sacrifice of Canadian interests.

Learning of the Award a few hours after it had been given, I cabled it as a "scoop" to an old journalist friend in Toronto. He was so absolutely flabbergasted that he endeavoured to get confirmation of the news at Ottawa, which lost him his chance of being the first to publish it The whole affair was an exceedingly sore subject for many a day to all the Canadians concerned. As a result of this decision, the highest grade of the salmon-canning trade is slowly but surely passing out of this country into the hands of the Americans.

XLI

"ALAS! WE ARE THE SPORT OF DESTINY"
—(*Thackeray*)

1911 was a most fateful year in the history of Canada, not only from the standpoint of party politics, but significant for the future of the Dominion. Sir Wilfrid Laurier seemed to be as firmly established in the confidence of the whole country as at any period in his long and successful administration. The Tories led by Mr. Borden (subsequently Sir Robert) were as correspondingly discouraged.

The fifteen years of Liberal administration had been an attempt, successful for the most part, to govern the country honestly. The Departments of Finance, Customs and Excise, Trade and Commerce, and the Post Office had been free from criticism. That of the Interior and Immigration bore for a time the full force of Opposition attack, and demands for investigation by Parliamentary Committees; but it had stood the test. The Department of Public Works, under Israel Tarte, was free from wrongdoing, though the desire for vengeance against him on the part of his former colleagues, would only too willingly have found an outlet in that direction. Latterly, when James Sutherland (at one time Party Whip) assumed charge of this Department, affairs were very little better than in Langevin's time.

But it was in railway interests that the sinister evidences of political demoralization were most apparent. First and foremost was Strathcona; his vigilant

eye was always on the lookout for recruits to Canadian Pacific railway schemes—those who might be influenced by his favours, or the reverse. The Canadian Pacific railway had liberally paid representatives in the House of Commons. Parliament had felt it necessary to pass a law which made members free from temptation in the form of railway passes; yet, notwithstanding legislative protection against this form of bribery, members used to ask favours from the Canadian Pacific railway in the form of passes for their families, thus hampering their independence. Friendly and conciliatory feelings toward the Canadian Pacific railway were also encouraged by the issue of telegraph passes to members. Van Horne and Shaughnessy were shameless and invincible in the influencing of parliament and government, and were assisted amongst the Liberals by their subsidized co-worker, James Sutherland (the chief Whip of the Liberal Party). In Wainwright, of the Grand Trunk system, was another past-master in the art of parliamentary lobbying, though he had not the unlimited resources of his rivals. Sir William Mackenzie, the Bank of Commerce behind him, whose government subsidies furnished the basis for ready cash, distributed more profusely and indiscriminately amongst both political parties, than either of the others.

This particular field had always offered the greatest opportunities for political demoralization. The evil seed had been sown in Canadian political life when the first Canadian Pacific charter had been granted. Where Lord Strathcona and Lord Mountstephen had sown corruption and reaped a golden harvest, it was inevitable that others should follow. The rank growth was too deeply rooted to destroy.

Notwithstanding these influences in the political background, Laurier had accomplished marvels. The population was growing by leaps and bounds. The exodus to the United States had almost ceased. As for the West, it had been born again. There had been an increase of 200,000 in the population of Manitoba, the same in British Columbia; there were 300,000 more in Alberta; 400,000 in Saskatchewan. Railway mileage had increased from 18,000 to 25,000 miles. Agricultural produce had increased in value from $190,000,000 to $385,000,000. The expansion of exports had been prodigious. Wheat from $7,000,000 to $45,000,000; nickel from 9,000,000 lbs. to 34,000,000 lbs.; copper from $7,000,000 to $17,000,000; silver from $5,500,000 to $32,500,000; cement from $660,000 to $7,640,000; the output of general manufactures had increased from $480,000 to $1,165,000,000. Customs returns had advanced from $30,000,000 to $70,000,000. Progress in the same ratio was evident in villages, towns and cities. Calgary had increased its population from 4,000 to 43,000; Edmonton from 3,000 to 30,000; Vancouver from 15,000 to 100,000; Winnipeg from 25,000 to 136,000; Ottawa from 48,000 to 87,000; Toronto from 185,000 to 380,000; and Montreal from 225,000 to 490,000.

Liberalism had triumphed. Courage and initiative had marked the whole record of the Laurier administration. Naturally there were local dissensions and political weaknesses, yet there was no denying the fact that a high water-mark had been established in the prosperity, progress and welfare of the Dominion. Not a cloud was to be seen on the political horizon. Parliament had still two years to run before dissolution, and assembled in the spring (of 1911), with no thought in the mind of any that a crisis was imminent.

For some years there had been a steady drift of opinion toward better trade relations with the great Republic to the south. There was no denying the fact that it was the natural market. The Liberal government had again taken up the question of Reciprocity. In the previous October informal negotiations had taken place at Ottawa between representatives of President Taft's government and the members of Laurier's Cabinet, as to a readjustment of the tariffs operating between Canada and the United States. Notwithstanding these high tariffs, the aggregate trade across the boundary line had reached the sum of $650,000,000 annually. During the winter, the Conference had been shifted to Washington. In the latter part of January (1911), Hon. W. S. Fielding, Minister of Finance, presented for ratification in the House of Commons the Reciprocity Treaty which had been agreed upon between the two Cabinets at Washington and Ottawa. The terms exceeded the best anticipations of the most enthusiastic advocates of better commercial relations between the two countries. To say that there was satisfaction in the House of Commons is to put the case inadequately. The Liberals were delighted; it had been a Liberal dream for more than a generation to see better trade relations with the United States. Even though the Liberal party had been defeated twice in general elections by unscrupulous Tory opposition for their advocacy of Reciprocity; though the party leaders had been accused of disloyalty, and had faced an electorate inflamed against the party and its policy by every method unscrupulous opponents could devise; still, the high sense of statesmanship in the minds of the Liberal leaders had triumphed over baser fears as to being again misunderstood in the country. On this occasion, so great

was the general satisfaction, that the Conservative leaders refrained, for once, from party criticism; as for the Tory back-benchers, being less committed to the Opposition policy of faultfinding at all costs, they were frankly outspoken in warmest approval. The leading Tory newspapers next day also joined in expressing satisfaction in no measured terms over the Treaty.

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Yet in the background, as always, were disruptive forces of self-interest. The new Manager of the Canadian Pacific railway (Van Horne), an importation from the United States, but newly admitted to Canadian citizenship, fearing for the dividends of his line lest the American railways should come in for a share of the east-bound freightage on the Canadian grain from the prairies to the Atlantic ports, sounded the first note of opposition to the Treaty. He had doubts that it might, in course of time, afford loopholes against C. P. R. monopoly, or that it could be ultimately enlarged with that effect. In this growing uneasiness of interested motive, the Conservative Opposition saw its chance to bring Laurier down.

It was necessary to move carefully. Feeling all over the country was warm for the Treaty. Laurier was loved and trusted. His administration had been brilliant, honest and successful. The Opposition bided its time; but made its plans. And the underground influences got busy. Soon, the same old Tory insinuations of disloyalty made their appearance; an ill-advised remark by President Taft and a foolish one by the Speaker of Congress supplying them with suitable ammunition. The Tory slogan was sounded: "No truck or trade with the Yankees."

At this juncture Sir Clifford Sifton became entangled in the opposition to Laurier. Notwithstanding the way he had been intrigued out of Laurier's administration in 1905, he had loyally supported the government in the Separate School difficulties in the new Western Provinces; and, though it was against his own profound convictions, he had done more than anyone else to reconcile the Provinces to an acceptance of that portion of their constitutions. But acrimonious personal relations with certain other members of Laurier's Cabinet had continued and increased in bitterness. Too, the changes of policy in the department over which he had once so brilliantly presided, must have been extremely galling. He was convinced that the administration had made serious mistakes in the West. This may have served to make him distrustful of the effects of the proposed Treaty. The result was that he now became the greatest asset to the Tory party, and but for him the opposition against Laurier could not have been successful. Sir Wilfrid Laurier's biographer quotes a platform utterance from the chief editor of the *Globe*, that "Sifton was absolutely the heaviest and most irksome body that we had to carry," as proof that he was "more of a liability than an asset to the Liberal party." Such a statement has no justification. The Liberal party would have had fewer claims to credit during Laurier's regime but for Clifford Sifton. Twenty years have rolled by since he withdrew from the Department of the Interior. Personal enemies, as well as political opponents, who would have rejoiced to obtain evidence besmirching his public record, have had access to every document in that department. Nothing has ever been discovered, save what gives irrefutable evidence of his consistent regard for the public interest.

As I myself was the medium at a crucial time of a message from Laurier to Sifton, I think I am entitled to suggest that the reason for Sifton's withdrawal of support from his former colleagues was not altogether of his own making. His brilliant intelligence saw loop-holes and dangers in the Treaty; not the least serious of which was the possibility of a lack of continuity in the contract, as the United States had the power to abrogate it by the will of their Senate—an ever-present danger in a democratic body.

With a cloud on the horizon, though then no bigger than a man's hand, Laurier was summoned to attend the Colonial Conference of May, 1911, in London. There were those who believed that the situation was of such uncertainty, that Laurier should remain in Canada and see the debate on the Reciprocity Treaty safely through the House. But other counsels prevailed . . . it was an unfortunate decision fraught with tremendous and disastrous results.

* * * *

That the Mother-Country should have looked for a certain amount of help from her Overseas Dominions in her heavy naval expenditures is not surprising. Great as were England's reserves of wealth and financial power (and these were much greater than she herself realized), there was an idea in certain quarters that the Colonies should be brought into the Imperial scheme of defence. In the early years of this century, at suitable public dinners and banquets, the necessity of assistance from the "Colonies" (as all British Overseas Dominions were then termed) was the sole topic of speeches by the late Admiral Freemantle, and one or two others like him. Word for word these speeches

were delivered and re-delivered until those of us who were expected to turn up at these gatherings knew them by heart. On one occasion, after the delivery of a speech in which it was demanded that the "Colonies" should take part in the maintenance of the Imperial Navy, I was invited to respond to a toast. I embraced the opportunity to explain that from the "Colonial" standpoint it was thought that the greatest service we could render to the Empire was to populate our country and develop our own resources. In this way alone could we ever be in a position to render assistance to the Empire. This reply to the worthy Admiral was of a nature that could not be misunderstood. And that any mere civilian, least of all, a "Colonial", with neither decoration nor insignia, should presume to talk back, ever so politely, to an Admiral of the Queen's Navee, rather staggered the uniformed and decorated officialdom at that dinner! I fancy that it was the first time anyone had ventured to cross swords with the Admiral on his favourite topic. I was told that for many weeks afterwards, he always enquired who were to be the speakers following the toast of "The Navy" before he could be persuaded to say anything.

Possibly it might be going too far to imply that this idea was at the foundation of the Colonial Conference. Yet, many years before the Great War came, there certainly was a feeling that it might become expedient, under circumstances which were dimly foreseen, though less by politicians than by heads of the War Office and the Admiralty, for the naval and military resources of the far-flung British Empire to be consolidated. The matter was part of the permanent Imperial policy and tradition of far-sighted watchfulness.

At this particular Conference, a task requiring a certain delicacy and finesse was to be undertaken by the British members of it. Tentative proposals, or feelers, toward the aforesaid consolidation were to be put out. Yet at the same time the leaders of Overseas public opinion were to be put in their place; and informed ever so graciously, but nevertheless quite firmly, that there could be no Colonial interference in the intricacies and complex ramifications of the foreign relations of the British Empire. This was in response to a little outburst of Jingoism from the Antipodes, demanding that representatives from all parts of the Empire should have a voice in her foreign policy; regardless of the indubitable fact that all questions connected with Great Britain's foreign policy were subjects of the study of a lifetime, by permanent officials and statesmen who gave their attention to nothing else.

No Prime Minister of any Overseas Dominion could possibly be possessed of, or ever become conversant with, such intimate knowledge. It should be obvious even to a novice in Imperial politics that the Empire's foreign policy could only be settled by her own leaders. It was to discuss the question of the limits of the Overseas Dominions' intervention in Imperial affairs, that Laurier was persuaded to abandon the interests of Canada at a most critical stage, when he asked for the adjournment of Parliament in 1911, in order to attend the Conference. It is little satisfaction to remember that Laurier was the most conspicuous Colonial Premier at the Conference; or that of all the able men there, gathered together from all over the Empire, he received the greatest measure of appreciation and adulation. He renewed his friendship with his kindred spirit, General Botha, then Prime Minister

of South Africa. One would like to know of what these two great men talked in those long hours they spent so conspicuously together. What dreams, what long, long thoughts these imperialists, not of word only, but by passionate conviction, must have exchanged. But Laurier's presence at the Conference could hardly have been as necessary as it was at home. Prime Minister Asquith, of England, informed Prime Minister Ward, of Australia, that under no circumstances could the British government consent to its foreign policy being decided upon, other than by itself.

"And while the man of the house was away the enemy came and sowed tares among the wheat."

Laurier's departure for England was the signal for the rallying of all the interests inimical to him, and to his government. An active campaign against the Reciprocity Treaty was organized all over the country. But, by way of distracting public attention from the serious issue at stake, a sectarian and racial dispute was again roused in Ontario. It is unbelievable to what a degree the flames of religious passion and racial prejudice can be fanned. The ancient Greeks, not without painful experience of popular outbursts of blind fury, said that it was "the Gods first made mad those whom they sought to destroy." The modern term is "mass-suggestion," and we are not unaware of the part that newspapers play in it. Be that as it may, it seems absurd that anyone's matrimonial affairs should have affected Laurier's majority in Ontario. But it is a fact that the bitterness created over the famous *Ne Temere Decree* in its relation to the Haney case helped to reduce the Liberal representation in Ontario from thirty-eight to thirteen.

Mr. M. J. Haney was well known, being President of the Ontario Liberal Association. He was a Catholic,

but had married a Protestant lady and they had lived together for thirty years, the daughters of the marriage being brought up as Protestants. Apparently Mr. Haney was led suddenly to believe that his marriage was illegal. It was alleged that his opinion was due to the influence of a Father Burke, with whom he had attended the Eucharistic Congress in Montreal two years previously. Of course it can be seen that here was the material for trouble. The amazing thing was the extent to which the Protestants lost their heads! The Roman Catholic Church did not contend that this marriage of thirty years' standing was illegal simply because marriages between Catholics and Protestants were against the discipline of the Church. Marriages between Protestants and Catholics frequently take place both in Protestant and Catholic Churches. It is probable that the only desire on the part of the Catholic Church was to emphasize the point of discipline where the upbringing of the offspring of such marriages was concerned. But the Protestants went off the deep end. The mere suggestion that the legality of any marriage might be dependent upon the Church discipline was not only like a red rag to a bull, it was a spark to tinder; and a torch so ready to the hand of the ultra-Orange section of the Community could not but be used against the Roman Catholic Premier.

Marriage by law of this country is a civil contract; in fact, *the* primary civil contract. No Ecclesiastical Law or Discipline, or Decree, can run counter to this law. It is definitely laid down that Civil Law and not an Ecclesiastical Authority establishes the legality of any marriage. When the *Ne Temere Decree* was promulgated by the Roman Catholic Church in the sixteenth century, the Church was the only centralized

legal authority in Europe, and was the only power capable of maintaining the sanctity of marriage. The Decree was issued as a protection to women in secret marriages, which the civil laws in the various countries in Europe would have been unable at that time to uphold, as Europe was a welter of warring principalities without any unity in law. The Decree reads:—

> "Those who attempt to contract marriage otherwise than in the presence of a parish priest or with another priest, without the leave of the parish priest or the Ordinary, and before two or three witnesses, the Holy Synod renders altogether incapable of such contract, and declares such contract null and void."

It was intended that the records of the parishes should show whether the parties were free to marry. That was the full extent of the *Ne Temere Decree*, which only in recent years had been made applicable to North America.

But Protestant pulpits fulminated against the Church of Rome, accusing her of wishing to override the civil law of the country. Tory orators roused Protestant audiences to fury, with asservations that Rome was interfering with the sanctity of the marriage relationship in Canada. The actual facts were disregarded. Passions and prejudices were aroused that are still unallayed—sixteen years later. Capital also was made of the fact that on the occasion of the Eucharistic Congress in Montreal, when the usual official procession took place, the Chief Justice of the Supreme Court of Canada, and the Speaker of the House of Commons, attired in their official robes, walked with the dignitaries of the Church. It was intended as an official courtesy to the distinguished visitors of the Congress, but it was most ill advised.

The incident furnished additional inflammable material for Tory election purposes. Yet the Tory party has paid a heavy price for the transient gains of that hour. The end, no man can see. . . .

* * * *

The culmination of the plot to defeat Reciprocity and thus bring about the resignation of the Laurier government, was brought to a head by a carefully-organized Committee of Eighteen so-called patriots in Toronto, whose real object was discreetly concealed from the public. The leading spirit in this Committee was Zebulun Lash, K.C., Chairman for the Mackenzie-Mann railway interests. Sir William had just completed the flotation of a loan for a large sum, guaranteed by the government at the suggestion of Sir Wilfrid Laurier. It was only one of several subsidies granted by Parliament on his recommendation. But Mackenzie considered himself aggrieved because Laurier's government had also assisted the Grand Trunk Pacific railway to extend its system to the western provinces. He saw a favourable opportunity to unite all forces against the Liberal government; and to put a possibly more acquiescent one in its place. Hence the Committee of Eighteen and their loudly-voiced patriotic purpose of preventing the annexation of Canada to the United States, as they strenuously averred that Laurier's suggested Reciprocity Treaty would inevitably have this effect.

Among the members of this Committee—"which did protest too much"—were Sir Edmund Walker, President of the Canadian Bank of Commerce, which held Mackenzie's personal guarantee for over $20,000,000, advanced on account of the Canadian Northern

railway; and Thomas White (Sir Thomas), subsequently Finance Minister in the Borden government. Mackenzie gave a blank cheque guaranteed by the Bank of Commerce to a member of this Committee, which it was said was filled in afterwards for $2,000,000. There were also other resources at the service of this Committee of "patriots." To bring about Laurier's defeat an orgy of corruption was inaugurated. The frantic sectarian and racial prejudice aroused over the Haney case was used as a red herring across the trail. . .

Sir Wilfrid Laurier spent election day in his own constituency, Quebec East. The earliest returns from his own Province plainly indicated that the Bourassa-Monck-Lavergne anti-British agitation had succeeded, and that the Nationalists had carried Liberal strongholds everywhere, all of whom were certain to support the Conservative leader, Borden. In Ontario, Liberalism had been almost wiped out of existence by the anti-Catholic appeals that were made against Laurier. Only thirteen Liberals were elected in Ontario with a total vote of 207,000. In the previous election thirty-eight Laurier candidates were elected in this Province with a total vote of 217,900. It was late on that fateful September night when Laurier entered the crowded and excited lobby of the Chateau Frontenac, showing not the slightest sign of the disappointment he must have felt. There were no cheers, but almost every head was bared as the uncrowned ruler passed through.

XLII

1911—AFTER LAURIER—BORDEN

At Ottawa, department matters were quickly disposed of by the Laurier Cabinet, and Robert Borden became Prime Minister on the tenth of October (1911). The first draft of Borden's Cabinet as prepared for submission to the Governor-General did not include Sam Hughes. In fact Sam had been turned down most emphatically. The Cabinet was to be presented to His Excellency on Monday. Unofficially the names of the chosen were known on Saturday. Early Sunday morning William Mackenzie (Sir William) presented himself with several friends at the new Prime Minister's residence. A peremptory demand was made that "Sam" be given the portfolio of Militia and Defense. Borden explained that the position was filled, and there could be no change. One objection to "Sam" was that he had been the Parliamentary representative of Sir Charles Ross, the manufacturer of the Ross rifle, and had been receiving from Ross $5,000 annually for some years to promote his interests in the Militia department. There were more imprecations than prayers said that day at the conferences with the Prime Minister. The result was that the official list was revised and "Sam" was placed in charge of the Militia department. Mr. Borden had begun to learn there were certain influences that he had to submit to. Whether he liked it or not, he was as clay in the hands of the potter.

Sir Robert Borden, as Prime Minister of Canada, made his first official visit to London in the autumn of 1911. "The King is dead, long live the King." He was received at Southampton with quite a flourish of trumpets, arranged for him by Sir William Mackenzie. and was given a private car attached to the steamer-train for London. Almost immediately an announcement was made that the new Canadian government would build three Dreadnoughts, costing $50,000,000, as Canada's contribution to the Imperial navy. Great was the rejoicing in official circles. All that Laurier had done, all that he had been, in the Colonial Conference was forgotten in this more material promise of battleships from Canada. Borden was the man of the hour—in him it was imagined that Imperialism had reached its finest flower.

Yet soon after Borden returned home it was cabled that the Canadian Parliament might not endorse Borden's proposal. Consternation reigned and disappointment was the order of the day. Mr. Winston Churchill was then First Lord of the Admiralty, and to let slip three Dreadnoughts for the Imperial navy was not his way of doing things. "Borden's arms must be sustained until the going down of the sun!" All the members of the British House of Commons who had any connection with Canada, were invited to meet Mr. Asquith, Mr. Lloyd George, Lord Harcourt and Mr. Winston Churchill. The proposal of the First Lord of the Admiralty was that these members of the British Parliament should go to Canada and address public meetings in support of Borden's suggested contribution to the Imperial navy. But it began to dawn on someone that the course proposed might be taking an unwarrantable liberty in Canadian politics. There was an enquiry, "and what will

Laurier think of such a thing?" "Laurier is a dead duck," was the retort. "Yes," said a well-known Canadian-born member of the Conference, "the livest dead duck you ever saw, as you will find out very soon. Gentlemen, give it up!" The First Lord, avid of his battleships, then said that he would go himself to Canada. But by this time common sense asserted itself, and the Prime Minister vetoed the whole proposal, saying he could see nothing but serious trouble in any attempt to interfere in Canadian politics.

Immediately upon Borden taking office the "guillotine" was prepared for many Liberals in the employ of the government. Like many others, I had thrown my best energies into my work and the responsibility of my office; but I had long known the hatred of the Tory leaders for me. So that I was not surprised when I received word from an old Liberal friend that Sir George Foster had suggested "that Preston would probably rather resign than have the odium of dismissal," and asking that he should inform me to this effect. Soon came a cablegram that the axe would fall unless my resignation was received. I was told afterwards, by two members of the Conservative Cabinet and two others in intimate touch with it, that when the question of my removal from office was brought up before the Cabinet it was decided "that Preston is much less dangerous in Holland than here in Canada." Nevertheless Foster intrigued with Peter Ryan to get my resignation, telling him that my dismissal had been decided upon.

Ryan had once protected Foster before a Royal Commission on a question of the latter having accepted certain moneys improperly. Ryan's evidence was necessary to implicate Foster, and it happened that I was one of those who advised Ryan "not to give

Foster away." Foster was very grateful to Ryan for his good services in this matter, exchanging many friendly letters with him afterwards. He knew of Ryan's friendship with me, and unscrupulously used this intimacy to secure my removal from office after the Cabinet had decided against it. Foster found it expedient to prevaricate afterwards, and pretend he was "sorry he had received my resignation."

The Mackenzie-Mann interests had been one of the most influential and powerful factors in organizing the Conservative victory. The Committee of Eighteen in Toronto was Mackenzie's creature. It had the government by the throat. In the session of 1912, $15,000,000 were voted to Mackenzie-Mann railways. In 1913 another $15,000,000. In 1914, a loan was granted of the enormous sum of $45,000,000. To this proposition there was strenuous opposition. In a speech of four hours, which for its financial character and scope by R. B. Bennett (the present leader of the Conservative party) will probably never be equalled in the House of Commons, the government proposition was torn to shreds. Sir William Mackenzie had followed the trail blazed by Strathcona and Mountstephen. Borden's party was in as uncompromising a situation as Sir John A. Macdonald was in the eighties, therefore the loan was forced through Parliament. This act of Borden's government must ever remain as an evidence of political slavery in the most unblushing Parliamentary demoralization by powerful financial and railway interests. The Committee of Eighteen had justified its existence.

* * * *

Twice I had the experience of being in London upon the outbreak of war. The first time was the

Boer War. For weeks everyone had seen that it was coming, and excitement had gradually reached boiling over point. Old bitternesses and the never-forgotten humiliation of Majuba were called to mind; there was general satisfaction at the prospect of wiping these scores out. Yet warnings as to unpreparedness were unheeded, and there were no misgivings as to a quick finish. But what turned out to be a long, long road to Pretoria was the best thing that could have happened to England. If she had entered upon the fearful trial of fifteen years later in the same over-confident, get-rich-quick spirit, Heaven knows what would have come to pass. As it was, the Boer war was a necessary discipline for everyone concerned; for the War Office, an essay in new methods of warfare; for the man in the street, a lesson on the dangers of being too cocksure.

The next time, was the outbreak of the Great War. That all came in an hour, so to speak, as far as the knowledge of the public was concerned. There was little idea of the "alarums and excursions" behind the scenes in the diplomatic world, and still less of the long-secret preparations at Admiralty and War Office which leaped into a steel-tempered efficiency on that fateful "Day," whose menace was no vague bad dream, as the ordinary citizen had thought. But one thing had not been foreseen, and was quite unprovided for: the rush to the Colours in the early days of the War. I have painful recollections of the crowds of young men volunteering for their country's service standing in queues four deep, half-a-mile long, who waited day after day in front of the recruiting offices—offices which needs must close each day at five o'clock, according to rule!—until the first fine enthusiasm had worn itself out and was never to be recaptured afterwards,

even under circumstances of most urgent necessity. When the early glamour of the War had given place to the grim reality that this was one of attrition, enlistment had almost ceased. The spectre of conscription loomed up as the only possible hope of success, and the horrors and uncertainties of war began to be realized in Great Britain.

Public opinion in England was overwhelmingly in favour of the government decision to enter the War. The resignations of Lord Morley and John Burns caused scarcely a ripple of comment. There was an early rumour that the government intended to take the opportunity of the unanimity of public opinion to put Home Rule into operation at once. The legislation had already been enacted—all that was needed was the passing of Orders-in-Council. It was expected by many that this would be done. The omens were propitious; Ireland was ready to show her gratitude. Then came rumours that Lord Lansdowne and Lord Carson had gone beyond mere protests in opposing the proposals of the government. In Ireland, "Hope deferred" had made the heart sick, too sick for ready healing. Southern Ireland became a fruitful soil for dissaffection and disloyalty. Historians will probably differ as to whether this could have been prevented if the British government had taken its courage in its hands, and removed the cause of friction early in the day, instead of letting passion and prejudice govern its policy to the last. As it was, Ireland gave the British government many months of anxiety.

Very little of what took place in Ireland got into the newspapers, but quite enough became known to warrant the conclusion that affairs there were in a very critical state. Many of the younger priests let themselves loose in bitter fulminations against the

British government and the Monarchy as well; with prayers that Germany might succeed in the War. One evening in a big London club, where many of us met to discuss the War and matters connected with it, a man came in who had just returned from a visit to Ireland. He repeated remarks attributed to Irish priests, which were certainly "high explosive." I expressed my surprise that the Church in Rome did not put a stop to such subversive attacks upon the government and its institutions; and I mentioned the well-known example in Canadian history, when some of the priesthood attacked Laurier on a question of his policy, and how Laurier had appealed to Rome, with the result that such clerical comment and interference was put a stop to for all time.

The first thing the next morning a telegram arrived, asking me to get through on the 'phone at once to ——, the Private Secretary of a certain member of the Cabinet. I was then asked if I could give him a memorandum for his Chief as to the details of the matter I had been speaking of the previous evening, of Laurier's appeal to the authorities at Rome. A little later came a request for a copy of the appeal which had been signed by Laurier and his co-religionists. Fortunately, I had a copy amongst my papers. I promptly brought it along and it was explained to me the signal importance attached to the document, and that it was proposed to use it as a precedent. A leading Catholic peer hastened to Rome. He directed the attention of the authorities there to the attitude of the priests in Ireland, and solicited the help of the Sacred College in remedying the evil.

Few politicians and no one connected with the press had any idea what brought about a sudden cessation of the anti-British agitation on the part of some of

the younger priesthood in Ireland. Yet in the twinkling of an eye, all had been changed! Macaulay had good reason for saying that "the Catholic Church is the most marvellous system of government the world has ever seen."

In respect of later events, Laurier afterwards wrote me:

> "My heart is broken over these awful executions in Ireland. What a mistake this is, so much cruelty in Dublin, when so much leniency was shown in Belfast to men who preached and organized rebellion, seems incredible. As Talleyrand said, 'C'est plus qu'in crime, c'est un faute." . . . For fifty years the memory of these massacres will live in the hearts of a large body of Irishmen, and the work of Redmond, whilst it will not be annihilated, will be largely more difficult, and him, before all others, I pity."

* * * *

All wars give rise to an incredible crop of rumours. It was so in London during the South African war. In the Great War the horrors in Belgium could hardly be exaggerated and were probably only exceeded in the atrocities committed by the North American Indians in the seventeenth century. Men, even non-combatants, might sometimes expect to be victims; but the things that were proved with regard to women were too horrible to repeat. These atrocities were doubtless at the bottom of all the rumours floating about, that the body of a Canadian soldier had been found crucified on a door of a barn in Belgium. I myself met two or three Canadians who declared most positively that they had seen the body; but in each case after thorough cross-examination I was quite unconvinced. Yet many of the Canadian soldiers believed

the story, and in one instance they took vengeance dire on a number of German prisoners they were escorting to the prisoners' compound.

It is not generally realized in Canada what short-commons the British were on in the matter of food as the War proceeded, especially in the London area. By the autumn of 1916 there were no regular supplies of bacon, butter, margarine, cheese, sugar, jams or preserves, and milk and eggs became scarce. By 1917 the flour used in the war-bread was not much better than chicken food. To eat it was like masticating dry rope, yet woe betide the householder who wasted this uneatable food. There were cases of severe fines for wasting, and very severe fines for hoarding.

Yet no selling under false pretences was permitted. One well-known restaurant had printed on its menu "bread and butter 6d." The butter on analysis turned out to be margarine. An inspector (not a member of the public, which was too glad to get anything!) reported the matter and the company paid a fine of $2,500 the following day. Shopkeepers were not allowed to discriminate in their customers. One day on the way to Victoria station I met a well-known barrister, and as we passed a large provision store he remarked, "I know these people, perhaps they have some bacon to-day." Going into the shop he whispered to a clerk and a parcel was handed to him. He nodded happily to me and suggested "that we had just time to catch our train." I said I would catch the next one. I went back to the same clerk and remarked that "I would like 2 lbs. of bacon." Promptly came the answer, "Haven't any, Sir." I repeated my request very quietly. Then he said sharply, "I've told you plain enough we haven't any." Taking out my watch I said, "I will give you just one minute to give me the bacon,

or I will have you taught a lesson." Up till then we had not had bacon for weeks in my household.

The soldiers and munition workers were well fed. Of course, it was right that they should be. But as for the general public, matters became very serious before the ration cards were issued in the early months of 1918. I have seen queues half a mile long, four deep, lined up for provisions it was not possible to get. I remember weeks when you could see the children losing their round cheeks. In the country districts things were much better, as odd, and extra supplies were easier to come by. But in London the "Free-born Britisher" learned what it was to be under the iron heel of government inspectors and bureaucracy generally. The foodstuffs were not to be had. No family was allowed more than a certain amount of so-called first-class meat; the generosity of the "amount" may be gauged by the fact that in one household I knew, consisting of eight persons, the sum of three dollars and ten cents represented all that could be spent per week in buying a good cut of beef or mutton. The weekly menu, as far as meat was concerned, was made up from ox tails (when they could be had), sheeps' hearts, calves' brains and heads, liver, and such like. Fish was costly—the younger and more able men in the industry having of necessity been absorbed into all the multitude of auxiliary Naval forces; the rest plied their trade amongst mines and submarines, at a cost which has not even yet been reckoned. Milk and eggs were both affected by the poor feeding of cows and chickens. In the summer of 1917 potatoes failed. If anyone wants to know how like ambrosia a small potato, with a worm-hole at one end and a green spot at the other, can taste, let him eat boiled rice for six weeks instead—or go without! Even for invalids, the

dietic regulations in that year were not modified. The only sick people who could get an order for bread made with good flour were those in an advanced state of tubercular trouble, or with diabetes. By Christmas time in London, the Christmas pudding, that essential prop of the British constitution, had to have its glories shorn, its raisins and currants rent from it, and whatever substitute the wit of woman could devise put in their place. One clever hostess of my acquaintance served to her soldier-guests (whose ration cards brought into that house the only moderately-adequate supplies of butter and meat the family had had for some weeks) a pudding made up of boiled spanish chestnuts, a hoarded box of dry figs, Chinese ginger and brandied cherries, and the contents of a box of Christie's biscuits (contributed by a Canadian officer) crumbled to powder in place of the war-flour. I was assured that it was a good pudding—that is, nobody died after eating it. But the effort nearly killed the cook!

There were cases of hoarding and a number of prosecutions. But the Englishman for the most part bore his hardships without a murmur, and played the game. He does not talk about it much, now, either.

Afterwards, when some of my Canadian and American friends assured me they had joined voluntarily in food restriction, I have indulged myself in a smile of grim reminiscence. For many weeks in England no one was allowed more than four ounces of fat per week, which included suet, butter and margarine. No voluntary dietist would dream of going through such hardships. No one who has not done it can imagine what that sort of thing is like.

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Both in and outside of official circles, by midsummer of 1917, great anxiety was manifested as to

the arrival of the American Army. Finally, the advance guard of a great multitude reached England. These represented branches of the Service for arranging landing facilities on the largest scale, with training grounds, commissariat, and all the contingencies for forces from Overseas, on an even vaster scale than anything that had yet been experienced. Shipload after shipload disembarked at various ports, and assembled around the outskirts of London, in immense camps.

The average man may well have thought, after the disappointment of the naval fight at Jutland, that the situation was far from satisfactory. In England, then, we were too close to the event for a realization of the ultimate significance of Jutland. There was no clear perception that the sea-power of the Empire was to be the decisive factor in the War. Even now, it is not generally realized that it was the strangle-hold of the blockade of Germany which finally brought her to her knees. That strangle-hold, which the German submarines acting in defiance of International law could not shake off; that strangle-hold, which but for Great Britain's regard for International law, could have been made so much more ruthless than it was. In 1917 we would not know. What the navy was accomplishing was hidden. It only saw the frightful losses of the War on land, the wastage of man-power in France and Flanders.

In response to a universal public feeling a parade of the American Contingent was announced. With thousands of others, I witnessed the moving and historic scene. It took place in the Horse Guards Square off Whitehall. Never will the emotions of that hour pass from the memory. Every thoughtful person in England knew that a crisis in the War had been

reached. Italy had been thrown. Russia was down and out. France was almost at her last gasp. The Empire had its back to the wall. The few score thousands that could be combed from the Colonies might indeed prolong the struggle, but could scarcely bring a decisive victory. Men were still wanted by the million, which only the new ally, the United States, was in a position to provide. Failing these, the desperate Central Empires might yet snatch at a peace on their own terms. The fresh untried troops from America, yet foreign in spirit, sounded the battle-cry, "Hold the Fort for we are coming." As the American battalions swung into the great square, with the Stars and Stripes fluttering, a magnificent band playing that song of a thousand poignant memories, "John Brown's Body Lies Mouldering in the Grave," and the air which is an omen of victory, "Marching Through Georgia," emotions too deep for words gripped the crowds. The English tried to cheer. They could not. Someone near me tried to shout "Three cheers for Old Glory!" His voice broke on the words. One heard sobs all around. There were tears on all cheeks. Tears of thankfulness.

XLIII

ECHOES OF THE WAR

Early in 1916 I was asked to go to Sweden on a delicate and very confidential mission. At that time, crossing the North Sea was not exactly a pleasure trip, with the mines, ours and the Germans, torn from their moorings by the winter gales, and the submarine menace, then becoming very serious. I made four trips to Stockholm, and I do not mind confessing that I have never forgotten how anxious and uncomfortable I was. I carried a letter of introduction to a Swedish nobleman, an ex-Minister of Foreign Affairs, and my instructions were obtained in a few lines of typing. Beyond these I was to know nothing. Under my mission lay as extraordinary a set of circumstances and play of motive as I have ever come across, though I never knew the whole story until years afterwards.

The German U-boats by this time (1916) had definitely begun to deplete British shipping, and the future was a subject of anxious consideration by the British government. A syndicate had been formed in New York, ostensibly of American capitalists, to negotiate for the purchase of the German and Austrian merchant ships interned in neutral countries. Matters had progressed to the point when the Hamburg shipping people were to be approached. A permit had been issued by that department of the Board of Trade in London, which dealt with matters concerning enemy trade. A guarantee from the General Trusts of New York was deposited in the Esklida Bank in Stockholm,

that any contract up to one hundred million dollars, into which I might enter, would be paid in New York in gold. What I had to do was to close the deal.

When I arrived at Stockholm, the manager of the Bank informed me that I was not the only one after the ships. The competition naturally caused the price to double. I returned to London for further instructions, but ultimately the matter fell through.

Then I found that the same official of the Board of Trade who had issued the permit under which I was working had also issued the permit to the other man, a Swede who was acting for another set of buyers. The official who thus doubled the price of the ships for his country's need, justified himself afterwards by the plea that it was against the policy of his department to grant monopolies of anything. If it be a virtue in an official to shut his eyes tight and refuse to see anything beyond his own particular inch of red tape, then that official, of course, deserves something special in the line of haloes!

Nine years after I heard the rest of the story. The other prospective buyer of the aforesaid ships came to a well-known shipping magnate in London for help to finance his deal, which he did not get. He also wanted something else. He was extremely concerned to have favourable press notices of a Swedish singer, who wished to make her appearance on the London stage. German and French musical critics affect to despise London as a musical and artistic centre, yet no artist or musician is held to be first class till he (or she) has received the seal of approval from the critics of the great London dailies. Favourable press notices mean financial and artistic success to continental aspirants for such honours. This was something to be intrigued for—or bought.

He was given an introduction to the head of a newspaper combine. To him he disclosed the particulars of the scheme for buying the interned enemy ships for which he had the permit from the Board of Trade. The favourable publicity was promised him. But the information about the projected shipping deal had other possibilities than as a mere item of news to that head of the newspaper combine. He came to the shipping magnate, proposing that this information should be used to get the consent of the Austrian government to the withdrawal of certain securities in Austria, in which he and others were interested, which were valued at several million pounds. The shipping magnate would have none of it, and the two parted in anger. What happened afterwards was "wropt in mystery," but the Berlin government got wind that the ships in question were *not* destined for the United States! And they refused permission to sell them at all.

Now, if this tale were in a work of fiction it would be considered clever. As it is true it may not even be believed!

* * * *

But my trip to Stockholm was not altogether wasted. Waiting for my boat at Bergen on my way home, I had picked up a Swedish newspaper on the hotel verandah and was trying to make out the War news, when I was attracted by the sound of English spoken close by. One of the speakers was a Norse ship-builder, home on three weeks' holiday from his work in a British ship-yard. He was telling his companion, whom I found out was the German consul-general in Bergen, and a very important personage in Germany, all about the "mystery ships" then under construction at Newcastle-on-Tyne, where he was

employed. He was being plied with technical questions by the German, about the construction, gun-displacement, speed and the nature of the "mysteries," which he answered with perfect candour as far as he knew. I was horrified, as I knew what care was being exercised by the authorities to keep all curious eyes away from the ship-yards where these ships were being built. But my astonishment was greater as the German began to unfold "what *we* are doing." He glanced around—but I was absorbed in the Swedish local news. He proceeded, in fairly good English, "Get back home here before Christmas. We are building two hundred submarines to blockade the whole English coast. Not a ship will reach there with food. England will starve in two months. The War will be over."

On the steamer I quietly told two or three Englishmen on board about their Norse fellow-passenger. When the police came on at Newcastle he was arrested and taken away, and subsequently sentenced to imprisonment during the War and deportation afterwards.

The moment I arrived in London late that night, I got into touch with a Secret Service official I knew, and told him what I had overheard at Bergen. Before eight o'clock the next morning I was sent for to report at the War Office. I was received at once and made my report to a certain officer. He said, "It is the first we have heard of this!" Five weeks afterwards he sent for me and allowed me to read an elaborate report from one of our Secret Service men in Germany, which gave full details of the intention of the Germans to surround England in December with a fleet of U-boats!

So if I did not help to *buy* ships, I really consider I helped to *save* them. My trip was worth while.

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There are many personal war stories, not the least interesting is one connected with General Louis Botha's campaign in German West Africa. He complied with the British government's request to take charge of this scene of the war. His forces consisted of British troops and a fully-equipped contingent from South Africa. The forces in the colony were under the command of a highly-trained German General. When the latter learned that the noted Boer General was in charge of the forces gathered together to attack the colony he was highly amused, refused to speak of Botha as "General," but only as "Mister Botha." The German forces marched away from the capital to meet the attacking army. A bloodless campaign went on for weeks. Botha's object was to end the campaign with as little loss of life as possible. Meanwhile his scouts reached the telegraphic line of communication between the German capital and the German forces. Tapping the wire they sat down in the woods taking every message that went between the army in the field and the headquarters at the capital, thus keeping General Botha fully cognizant of all German plans. Every day the German General explained his inability to "find Mister Botha." He was as elusive as the "Scarlet Pimpernel." Weeks went by. Finally Botha's dispositions were complete. A white flag carried by British officers approached the German outskirts one day, asking to be taken to headquarters. "Admit them, of course. Mister Botha wants to surrender." Botha's letter was brief; the German forces were completely surrounded; not an avenue of escape; artillery and infantry all ready to attack. "Your surrender is demanded to avoid needless loss of life. Your case is hopeless." A time limit was fixed, and the "white flag" retired, leaving a dazed and paralyzed German

General. Before the day passed he realized they were as rats caught in a trap. In accordance with the usual formality, the two Generals met. In full-dress uniform the German General advanced, and without saluting, blurted out, "Mister Botha are you willing to incur the enmity of forty million Germans by this insult to the Kaiser's army?" British officers were aghast at the impudence. Nonchalantly, Botha, leaning on his sword, said with quiet dignity, "I am," pointing to the table where the papers were already drawn up for signature. When everything was completed Botha signalled to his servant, and in a moment refreshments were placed on the table. Botha poured a cup of coffee, walked over to the German commander, offering it with "Bitte" (please) and a bow. One of the German officers in conversation with a Major of the British army quietly remarked, "Your Botha may not be a soldier, but he is a gentleman." It was in the hardships of this campaign that the seeds of Louis Botha's untimely death were sown. He was truly a great character.

XLIV

"WAR IS THE HARVEST OF THE DEVIL"
—Hooke.

Sir Robert Borden and the Conservatives were in power in Ottawa when the Great War burst upon the world. Sir Wilfrid immediately offered the government the Liberal support in the House, and the first War appropriation of $50,000,000 was passed without a dissentient voice. Sir Wilfrid also offered to place at the disposal of the government the Liberal organization all over the country for the work of recruiting, and for other war measures. No one understood more clearly than did Laurier the harm which had been done in Quebec by the so-called Nationalist campaign of 1911, which had been organized against him by the Tories. Seeds had then been sown which were to create difficulties in recruiting later. No one could be more passionately anxious to undo this wrong, which was not of his making, than Laurier. Even then, he had had grave warnings as to his health, but he put out the last ounce of his strength in addressing meetings for recuiting in the province. He urged most earnestly upon the government the appointment of General Lessard to take charge of all the recruiting arrangements in Quebec, knowing the high reputation the General had amongst the French-Canadians, and how he sympathized with and understood them. Laurier had no thought for himself, only for the Empire he loved and longed to serve. Nothing was more desired by the Liberals, in and out of Parliament, than

to assist the government by every means in their power. None were more anxious than the Liberals to bury all party differences and feuds, no matter how deep-seated these might be, and present a united front to the danger which threatened the Empire.

"Sam," afterwards General, and "Sir Sam," Hughes was Minister of Militia. The outbreak of the Great War gave him the chance he had been looking for all his life. "Sam" was a born warrior; not even the amateur military activities which are all that are possible in a democratic country enjoying peace, had cramped his style in any degree. He flung himself into the enlarged work of his department with tremendous ardour. In this he was greatly encouraged by the War Office in England. The British press, officially inspired, hailed the Canadian Minister as a military genius, in the expectation that such encouragement of the Minister would also encourage recuiting in the country.

General Sir "Sam" was a thoroughly good sort; the kind of man about whom anecdotes collect because they reflect a vivid personality. I append two, well authenticated. It is told, that at a review at Val Cartier a certain Illustrious Personage was to take the salute of the troops, shortly departing for overseas; at the critical moment "Sam" stepped to the front, and technically speaking, appropriated the salute. The best part of the story, which may not be told, was the comment made afterwards by the Illustrious One. Another tale concerns "Sam's" last review at the front. He was extremely fond of these "spit-and-polish" parades; more so than those who had to get them up for him. A maroon* was doctored to emit smoke and

*Special sound bomb, bursting with very loud noise, used in later stages of the war to warn the London districts of the approach of enemy air craft.

a smell as well as an ear-splitting crack and sent off fairly close to the Staff motor. After a hurried consultation as to whether the Germans had invented a still more deadly type of gas-bomb, the review was promptly abandoned, with the remark, "Boys, this is no place for us! Let's get to h—— out of this!"

* * * *

Very soon it became evident that the Borden government intended that its immense powers of patronage for the granting of contracts for war material were to be used for party purposes. "No Liberals need apply," was the watchword. In any case, contractors in war time are not unlike the evil birds that haunted the battlefields of old. With every patriotic intention, they profit by the agonies of others. When contracts for war supplies are given a party bias, the government which does so makes itself related to the vultures. Commissions and rake-offs on contracts to the tune of millions of dollars found their way into the pockets of supporters and friends of the government. Contracts were awarded to members of Parliament in the name of incorporated companies, the members of which were those of their own families. Even Cabinet Ministers were interested in some of these companies. Every phase of munition-supply had its private drain into the interested pockets of supporters or members of Borden's government. One member of the government invited tenders for his private residence, the architect's estimate for which was $60,000. A government contractor tendered $6,000 for the job, which was not enough to pay for the hardwood floors. This is an instance of how one Minister was bribed in the hope of favours to come.

Too, even as early as 1916, there were open scandals in maladministration. A type of Ross rifle was issued to the troops, which was discarded by thousands, as not being suitable for active service conditions. Ammunition was supplied which had been condemned by government inspectors. Contingents were sent overseas to undergo the appalling hardships of the first winter campaign with bad boots, the soles of these boots being stuffed with paper. It was a matter of open scandal. A deputation visited the High Commissioner in London to implore his influence in having the matter remedied. The "Oliver" equipment, a costly affair in leather, was supplied to the troops months after it had been condemned by our own headquarters in England; and was burned afterwards in lots of fifty thousand at the Canadian camps. These instances are but a tithe of what came out, in evidence on oath, before a Committee of Enquiry of the House of Commons.

Those who were in charge of the expenditure overseas were not going to be outdone by their Canadian confreres. It was through incidental enquiries from the British War Office that the discovery was first made of the enormous discrepancy between the number of names on the Canadian Pay-sheets and the actual number attached to the service. The late Auditors-General (Fraser and Sutherland) estimated that there were not less than 30,000 fraudulent names on the overseas Pay-list. The records show that month after month entire regimental receipts are signed in the same hand-writing. An official of one of the branches gave instructions to assort the pay-sheets properly signed from those in the same handwriting. He found so many thousand of the latter that he gave up the job. A leading K.C. from Quebec was authorized to

look into this matter in 1923. His report established the fact that frauds had been perpetrated on an extensive scale. Why a full enquiry was not pressed is still a mystery.

* * * *

It has been hinted in another chapter what were some of the reactions in the United Kingdom from the increasing pressure upon the man-power of the country, as the War continued to levy its ghastly toll. In Canada came the inevitable slackening off. It was not from any lack of loyalty,nor from any fear of the horrors of the long-drawn-out trial, but simply that the young country could not be stripped of labour. Enormous munition-factories had been erected, demanding an ever-increasing supply of workers. The Cabinet, at the pressing demand of employers, refused to allow enlistment from these. At the Colonial Conference in London in '17 (dignified by the term Colonial Cabinet) it was a matter of very serious consideration what further pressure could be applied to the Dominions overseas. But Sir Robert Borden returned from the Conference to Canada, committed to some measure of conscription for maintaining the strength of the Canadian forces at the Front. In Great Britain, step by step, in the face of difficulties which may never be fully understood, the whole man-power of the country had been brought into one form or another of conscriptive organization. Canada might be persuaded to follow suit, although Australia and New Zealand had, decided against conscription, by plebiscite.

Unfortunately for Borden, the Tory campaign against Laurier in the Province of Quebec in the Election of 1911 had been fought on the issue of Laurier's imperialism or imperialistic policy, and its implications. It was alleged then, that the young

French-Canadians would be forced into the army and navy which Laurier was accused of wishing to establish in Canada. The naval base at Esquimalt was pictured as an altar to Laurier's imperial commitments, upon which the youth of Canada (especially the French-Canadians) were to be sacrificed. Tory canvassers went through agricultural districts of Quebec, actually attired in military uniform; making enquiries into the number of young men in households, and asserting that they were wanted for Laurier's contribution to imperial demands. Could unscrupulousness go further? Less than three years later, evidence was put in Laurier's hands proving that Lord Athalstane, proprietor of the Montreal *Star*, had contributed to the so-called Nationalist campaign to pay the expenses of these canvassers, in the interests of the Tory party.

Yet electors have notoriously short memories. Borden knew the circumstances under which his party had weakened Laurier's influence in Quebec in 1911. He knew also how Laurier was justified in his indignant denials of the Tory accusations of that day. He knew further that Laurier had given a solemn pledge that he would never consent to a conscription measure in Canada unless it was with the approval of the electors. It can therefore be readily understood that Borden did not wish to commit himself or his party to a policy of which the Tories alone would have to bear the unpleasant onus. Borden asked Laurier to join his government when he knew, and Laurier knew it too, that he was committed to some measure of conscription. It was a shrewd move. Laurier might either choose to ally himself and the Liberals to a party of whose unscrupulous opportunism he, and they, had had plenty of experience; and be committed to a policy of which the Liberals might disapprove, but in which, as a

minority, they could have no controlling voice. Or, he might be manoeuvred into a position where he himself would appear to be out of sympathy with England, and with the policy of fighting the War to a finish.

Whether, under the circumstances and the pressure of later events, Laurier would have been justified in violating the solemn pledge made to his fellow-countrymen in Quebec in 1911, is a question. It would have been the safer road, as it was certainly the more popular at the moment in the other provinces. But he decided that his pledge was one that could not be broken, particularly in the face of the violent fulminations that the Tories had already begun to make against the entire population of French Canada. Too, he sincerely believed that the existing Militia Act, honestly and patriotically administered, would give the government all the powers required for keeping up recruiting. In the light of calmer days, few now see any reason why the Act could not have been adjusted to meet all the necessities of the case, extreme as these necessities were; and to have been applied with fairness and judgment. Perhaps in that anxious period there was neither fairness nor judgment anywhere, but only the passions and bitterness engendered by the titanic struggle on land and sea. "Whosoever is not for, is against," and Laurier's enemies seized the opportunity that his attitude upon the question of conscription gave them.

The general situation, as viewed by Sir Wilfrid in a letter to me at the opening of the campaign gives a perfectly clear view of the influences at work with the electorate:—

> "There is nothing new in the campaign which is now organized on the lines of creed and race. I

remember very well the campaigns of 1886 and 1887 against Mowat and Blake, and I agree with you that nothing could exceed the viciousness which was then resorted to by the Tories.

"The campaign which is now being prepared will not exceed the bitterness of those years, but you will easily acknowledge that the appeals made against a French Papist, will probably be more easily responded to than if they were directed against a good, sound Scotch Protestant, as Mowat was. . . .

"You suggest as a plan of campaign the following:—(a) reduction of transportation rates; (b) the establishment of government control line of ocean steamships; (c) the erection of grain warehouses in the United Kingdom and also on the continent, if necessary; (d) the erection of cold-storage warehouses in England for fruits and perishable products.

"With regard to these suggestions, they would come more properly after than before an election, as a new programme for a vigorous administration. They are all practicable. . . .

"I regret you are not here in the next fight."

On all sides Laurier lost supporters and friends. How deeply pained he was at being misunderstood will never be known. Those who were the loudest in condemnation of him knew better. But passion is deaf, and patriotism can be blind. Some of those who left him were actuated by lofty patriotism, in which they honestly believed that Laurier had failed. Others went with the popular party, the War party, from lack of courage to do otherwise. In both groups were many of his best and most intimate friends. He who had set so high an example of courtesy and honour to his fellow-countrymen saw his reputation grievously hurt. He who had laboured so assiduously all his life to bring about amity and goodwill between French-Canadian and English-Canadian, saw his work in

ruins. He who loved the Empire more than his life, and had done more than any other colonial statesman to make the Imperial Colonial Conference what it was, saw his loyalty to the Empire impugned,—cruelest blow of all!

Sir Wilfrid Laurier was given a meed of adulation granted to but few. He was one of the most honoured guests of the Diamond Jubilee of 1897. He was the guiding spirit, if not the controlling influence of the Colonial Conferences of 1907 and 1911. He took the greatest share in preventing disruption in the Conference over the Deakin-Jamieson resolutions. Each event brought out more clearly his lofty purpose, his high principle, and his fervent attachment to imperial tradition and the British Empire. All British statesmen honoured him. He enjoyed the confidence of the Crown. It was not undeserved. Like Browning's patriot:—

"It was roses, roses all the way,
With myrtle mixed in my path like mad;
The house-roofs seemed to heave and sway,
The church-spires flamed, such flags they had!
A year ago, this very day. . . ."

Like the same patriot, he tasted failure also. And he met "those two impostors, Triumph and Disaster" in the same fine spirit; sure in his faith that right would triumph, though he might never see it with his own eyes.

* * * *

Lord Strathcona's fatal illness was brief. Scarcely had the information reached the public that he was ill, before the announcement of his death was made. *De mortuis nil nisi bonum*, that concerning the dead, only speak that which is favourable, is a word of wisdom, if it can be done without injustice to the

living. In this case it is impossible. His whole life was dominated by a spirit of greed and an unrelenting vengeance against all who crossed his path. Not even a relationship which all creation bows before could avert his avenging hand. No ties could bind him. For sixteen long years Laurier complied with his every wish. But Laurier had been appealed to on the occasion of the Prince and Princess of Wales' trip across Canada, to prevent Strathcona from attaching his private car to the royal train, which he was bent upon doing. He had made all the arrangements for the party, had placed his Montreal residence at their disposal, expending a large sum in erecting a ball-room. He thought that he was entitled to accompany them, at least, as far as Calgary. Laurier was compelled to be firm. Strathcona nursed the recollection of that. So when 1911 came, and it looked as if Laurier might be defeated, he sent for a representative of the London press, gave out a statement that it was his opinion that Reciprocity would lead to annexation to the United States. Brought to book about it, he denied most vehemently ever having said such a thing. But the harm had been done. He had discredited Laurier in London. He had plunged the knife into his erstwhile friend to the hilt. Lord Grey, too, had crossed his path. On returning to England, the ex-Governor-General had a talk with Strathcona about moving the government offices to Kingsway, and stated that he would get an option on one of the properties there, meanwhile, if Strathcona would support him in getting the Canadian government to take it off his hands. Strathcona smilingly acquiesced. Lord Grey secured the option, paying several thousand pounds for it. Lord Strathcona wrote to Ottawa, opposing the proposal in the strongest possible terms,

and the option fell through. Strathcona had paid another debt of vengeance. How many of such acts were woven into his long life, God only knows. The Latin proverb is difficult to observe. But the wealth that covers a multitude of sins was his. On the 14th of January, 1914, there was assembled in Westminster Abbey, representatives of Crown, Peerage, Commons, Church and wealth of Great Britain surrounded the purple pall, and listened to his requiem within those historic walls.

XLV

POLICE AND NATIONAL SERVICES

It was inevitable that I should wish to be "in the war" in some capacity, however humble. "Sam" Hughes promised me more than once that I should don the khaki. Afterwards, when I had made it my business to investigate and expose the huge election frauds in the Canadian army, he said to me, with grim humour, "What d——d fools we were not to have put you into the khaki—there'd have been none of this!" However, failing the Canadian Army, I volunteered for the London Special Constabulary, formed to fill the gaps in the Police Force, when the Reserves were called to the colours. The morning after enrolment I found myself promoted to corporal, the next day to sergeant, and the third day on the roster as Inspector in command of my district. We were all drilled and put through some simple training in boxing and certain Japanese ju-jitsu exercises, in case we had troublesome prisoners to deal with. Then we were supposed to be qualified for duty by day or night. But my particular experience was that the average Englishman was only too anxious not to make any extra trouble at that time—for a while, at least, London was quite painfully law-abiding.

* * * *

Some months later I offered my services to the Director-General of National Service, and was instructed to take charge of a branch for issuing passports, of a certain class, to those who wanted to

leave the United Kingdom. This work had suddenly assumed enormous and unmanageable proportions. Some new formula and regulations were urgently necessary, and the situation bristled with difficulties. Young men of military age were leaving the country to avoid service, and various sorts of information, which might be useful to the enemy, was leaking out, due to the too easy movements of people who were not exactly spies themselves, but were in touch with others who were. I made a memorandum as a basis of a regulation, that no person between the age of seventeen years and forty-one was to leave the country without an adequate reason. This was accepted by the War Cabinet, and consented to as a working arrangement by Mr. Neville Chamberlain, who was head of this branch of public service.

Soon I had quite a problem to deal with in the number of nurses who wanted to leave the United Kingdom to pursue their profession in neutral countries. One case was illuminating. A nice, harmless-looking young person applied to me one day for a passport to go to Switzerland as nurse to a Russian refugee family there. Not seeing any reason for it, I refused. The next day a very military-looking gentleman came to press the case, saying the young woman needed to earn her living and could not do so in England. The young woman came again in a day or two, explaining that her prospective employer had sent her the money for her ticket and also for her clothes; if she could not return this money she might get into trouble with the police. I had suspicions; but it was enough to say that the passport could not be granted. A week later I had still another visit, and was informed that my young woman was the sole support of a paralyzed father, who had been bedridden for three years

and the position which was awaiting her was one she could not afford to lose. Still no passport. A few days later, after some angry expostulation outside my office door, a big strapping fellow came in shouting: "Aren't you Mr. Preston? You called my daughter a liar and I am going to take it out of you." I suggested he should sit down and tell me what the matter was. It was the case of our fair nurse. I showed him her photograph, which he identified, and I read the card-index to him, "the sole support of a paralytic father." He let fly a very expressive monosyllable and bolted for the door. I telephoned promptly to the Secret Service Office and learned that this young woman had been under police surveillance for some time and that the Censor had been looking after her letters.

Another case of the same sort was a woman known as the "Spanish Dancer." She called for a passport to Spain, where she said she had an engagement promised her. The passport was refused and she called again. I persisted in the refusal and she burst into tears. I regretfully assured her that my office was known as the "Vale of Tears," and that they did not count at all in "passports!" However, she got quite chatty over a cup of tea, and told me how ill her mother was and that "Alfonso" was quite a friend of hers. I did not like the look of it, and after telephoning privately to Scotland Yard for instructions, I suggested she should call again. She never did, and I heard afterwards that she was the best paid and most dangerous of all the German woman spies in the country.

Into my department also came cases of very pathetic human interest; those of young women carried away by the strange excitement of the war, who had got into trouble with attractive officers who could

not, or would not, marry them, and who wanted to go abroad. I had to listen to many tragic stories. Careful investigations had always to be made of course, but the department never failed to help if it were possible or advisable. There were other cases of English girls who had been promised marriage if they would emigrate to Canada, and our regulations had to be enlarged to meet the number of these. I had to appoint a special clerk, a very clever and tactful woman, to make the necessary investigations. That investigation was necessary, was proved in many and many an instance as we found that the young men were already married. One nice girl came in great distress to the office; but it turned out that there had not even been a promise of marriage in the correspondence she had had, but only an address, given at the window of a train by the soldier as he was on his way to Liverpool to embark. I cabled to Canada and got the information that he was married and had a family. Another case was that of a young woman who had been in correspondence with a Canadian soldier who only knew her name. He had promised to marry her as soon as she would arrive. I was not quite satisfied and cabled for particulars. When she came again, I said: "Will you promise to marry this man, whose legs are cut off above the knees, as soon as you get to Canada?" As I had guessed, she was not of that metal. She gave a scream and disappeared.

There was another rather amusing episode. A certain "Honourable" lady, young and beautiful, a widow with two maids, applied for passports. A special sub-committee we had for certain cases, concurred with me in refusing these. Next morning came a peremptory request from a most distinguished member of His Majesty's government that these passports be

granted forthwith, his own messenger waiting for them. Next day a verbose storm of serious proportions struck my office. A loud and extremely irate voice demanded, "Who in —— issued that passport to Hon. Mrs. So-and-so? She is the widow of my second son, who was killed in the war, and now she's going to marry my other son if she gets out of the country!" All the consolation that could be offered to His Grace was that the passports were issued under orders from the Foreign Office. From enquiries there it seemed that nobody knew anything. And in the meantime the fascinating widow sailed for New York, taking with her, medals, orders and decorations belonging to her late husband. The deceased husband's brother met the enchantress on her arrival and the marriage took place. Two years later the New York papers advertised for sale certain historic heirlooms of a great English ducal House.

As time went on and the pressure of the war on the man-power of the country became more acute, my duties came into conflict with the shirker. A passport had been applied for by a man with a "B" medical standing, to go to the United States to act as a valet to a Mr. Moore, who was returning to Detroit. The applicant was liable to be called up for service, and the passport was refused. Next day came a very natty officer, brass cap and all, introducing himself as an A.D.C. to Lord French. He went on to say that Mr. Moore, whose valet's application for a passport had been refused, was a very intimate friend of Lord French, and added, "I would like you to issue this passport." I explained our rule and mentioned the military qualifications of the applicant. "Does Lord French really want this passport issued?" He finally got indignant and blurted out, "I'll attend to you."

The next day I received an urgent message to attend Mr. Neville Chamberlain at his office. He said, "I am sorry, Mr. Preston, but I must have an explanation why you refused a passport to a nurse to accompany an almost helpless invalid named Moore to his home in the United States." I briefly explained that there was an application for a valet to accompany Mr. Moore to Detroit, the applicant to remain in his service, but there was no suggestion about a nurse, nor as to Mr. Moore being an invalid. "In fact," I added, "I saw Moore having an uproarious time at the Savoy Hotel last night!" Mr. Chamberlain turned down the flap of a letter on his desk and wrote across it,—

"My Dear Lord,—

"I quite approve of Mr. Preston's judgment in the matter."

That was the only time my decision was questioned.

But Mr. Neville Chamberlain had his own troubles. Several members of the government were not in agreement with the authority which the War-Cabinet had conferred upon him, and the Labour department threw many obstacles in the way of National Service being made effective. The scheme was a voluntary one, and undoubtedly filled a certain gap before the conscriptive organization came into force. It was largely recruited from business and professional men who could sometimes give only the few hours snatched from leisure and sleep, but who were sincerely patriotic. National Service certainly was never intended for a glorified labour bureau or labour exchange. Mr. McRea, a labour official, insisted that there should not be any labour arranged for outside of the labour exchanges. Some of the results were amusing. A certain well-known barrister, very near the top of his

profession, put his name down for National Service and was called upon to do a job of window-cleaning. Another answered the call of his country the same way, and got the offer of a half-time chauffeur's job. There were any number of similar cases which many will call to mind. National Service became a farce under the circumstances. Mr. Chamberlain resigned.

But the story is told that he invited the heads of some forty branches of the public service to a dinner at the Savoy. After dinner the waiters were dismissed and the doors shut; and Mr. Chamberlain told his countrymen for a solid hour what he thought of the government which had blocked his way.

Mr. Auckland Geddes succeeded Mr. Chamberlain. Mr. Lloyd George at that time had "gone nap" on everybody of the name of Geddes. One member of the family had certainly worked a miracle in a particularly recalcitrant department. But Auckland was a dud. He was useless in following Neville Chamberlain, and useless as English Ambassador at Washington. McGill University was lucky in being spared his Presidency. Of course there were a number of "umbrella" cases. Officials in the government could and did protect friends from participating in the glories and the horrors of the War. The employees in a certain industry were exempt from war service. I received an application for a passport to the Argentine from one of these. His medical certificate was A.1 and the passport was refused. Six weeks after, an application came from the Colonial Office for a passport for the new appointee to an engineership in Nyassa, South Africa. I recognized the photograph as that of the applicant who wanted to go to the Argentine. It was evidently a case of "funking" military service with a friend in power to help. Mr.

Chamberlain thought the case should be taken to Lord Long, the Colonial Secretary. Mr. Chamberlain's secretary and I were deputed to enter a protest to Lord Long against granting this passport. But we were told that no National Service official would be allowed to interfere with a decision of one of his own officials. We argued the case for an hour, whilst the noble Lord paced the floor. We failed. The "funker" succeeded in "funking." This, as I told Lord Long, "While Canada is combing the last man to fight for the Empire."

One visitor who came to make the obligatory personal application for a passport, created especial interest—rather amusingly so. Usually, the daily procession to my office was of small concern to the other officials and attendants, and my telephone was attended to by my secretary. One morning there was an insistent request that I should go to the 'phone, and when I was put through, a charming feminine voice informed me that she was Mdlle. Gaby Delys, and she wanted to make an appointment to get the passports for all her company to go to Paris. I explained that she would find me in the office at any hour. But no, it must be a fixed time, say ten o'clock the next day. Within ten minutes it was known throughout the entire building that Gaby Delys "was coming to see Mr. Preston in the morning."

The lady was then at the height of her glory—the glory which was to cost one King his throne, and which gossip then credited the young scion of an English noble house with maintaining, to the tune of some $300,000. Her pearls and jewels were famous, and her plays or, rather, spectacles, were the very last word in what was permissible in exiguous costume at that time. But her daring and aplomb were of that

type which compelled acceptance even in select society. Many ladies of high degree were only too glad to have Mdlle. Delys assist in their fashionable charity bazaars by selling for them sixpenny nosegays plus a smile, for $50.

Long before ten o'clock the main corridor and passages leading to my office were filled with both sexes who had urgent business to attend to in that particular locality, at that especial moment. When Mdlle. arrived she was escorted to my office by the commissionaire, and she swept like a queen through the curious smiling crowd. Twenty passports were wanted for her musicians, attendants, etc., and fully an hour was taken up with the necessary enquiries into the medical and military classifications. All the time my door was being continually opened, ostensibly for office business, but with obviously interested glances at the lady, and perfunctory "beg-pardons" to me. Finally, all were arranged for with the exception of the conductor, who was in the military class. Mdlle. waxed voluble, even frantic,—"no music wissout my music leader—imposseeble, imposseeble." I compromised by granting him a passport for three weeks, during which time someone must be trained to take his place. The situation was saved! Mdlle. Delys rose, tucking her poodle under her arm. "Merci, merci bien, very good, thank you. I will send you a ticket for a private box, Mr. Preston, when I return; and for your secretary, too." And out she swept, leaving the fragrance of expensive perfume behind her.

Several of my fellow-officials came crowding into the office, all excitement and interest; with highly unofficial joking suggestions that I should change jobs with them "and hang the expense." But after a while, when things settled down to normal temperature

and routine proceeded as usual, my demure private secretary at the other end of the room remarked ruminatively, with a certain feminine malice, "Are, *all* men fools, Mr. Preston?"

It will be understood that my position was impossible to maintain; whether by silence or protest I must give my sex away. And the secretary responded, with the calm of conscious superiority—and the last word—"I thought so."

No words can describe the effect of the air raids on London. I have been in earthquakes, and typhoons on sea and land, with death staring one in the face. But to be awakened with the deafening explosion of a bomb dropped from a Zeppelin, just visible in the sky, heading in your own direction, completely shatters one's nerves. Police duties took me to street patrol in the early raids. The darkened streets, lighted only by the stars, or the calcium flares dropped by the raiders, the exploding bombs, the roar of the defense guns, and the bursting shells far up in the sky, an occasional pedestrian clinging to walls and buildings, all presenting a hideous nightmare into a living reality. Never sure that one's self or loved ones would not be a victim of the next bomb. In 1916 a raid left a path of death and destruction of nine miles. Glass in my own residence was broken and $10,000 damage was done to the home of one of my daughters. Hundreds of lives were lost by these raids, and damage aggregating many millions of pounds. One of the most serious raids outside of London was upon the Canadian camp at Shorncliffe. The casualties were frightful.

XLVI

THE ELECTION FRAUDS OF 1917

In 1917 the time for the general election came round again. It was a period of profound inquietude. The ghastly toll of the War and the sacrifices demanded from all men and women had keyed up public feeling to an abnormal state. There were certain phases of material prosperity, yet with the most sinister of spectres in the background—as at Belshazzar's feast, when the ghostly handwriting flamed out upon the wall.

It was a time of false moral values. It was a time of exacerbated personal and political relations. It was a most deceptive period of material prosperity to some. To others their world of security and peace had fallen in ruins, never to be rebuilt. There was a determination, almost savage in its intensity, to see the War through at all costs. There was a general feeling that success in the matter was less an affair of leadership than of passionate resolution on the part of individuals. Yet the absence of such leadership, the lack of one superlatively dominating personality, produced a multitude of contending voices, instead of the one clear call so much needed. In Canada the agonized fears for beloved sons, the larger haunting anxiety lest the Empire itself might not be able to endure the strain put upon it, were caught up and became submerged in the gross greed of party politics. We have the spectacle of a wild snatch at power, when political power was the merest travesty of the real responsibility and authority combined with vision, which was needed

in the tortured country. The Union government of Sir Robert Borden was a caricature of government. It was made up of the least strong elements of both parties and was a welter of jealousy and greed. And behind the sound of the guns which was tearing civilization to pieces, behind the broken hearts and the hearts which were uplifted to sacrifice, the Union Party laid its plans to remain in power at any price; to manipulate and to profit by every unworthy political and financial interest in Canada.

But it was not only the home vote that had to be doctored. In addition, the Overseas Soldiers' vote must be manipulated. No mistake must be made on that point! A special Soldiers' Vote List Act was passed. The Liberals strenuously opposed it, pointing out the danger of fraud and manipulation, but the government laughed "such absurd ideas" out of court, as being too ridiculous for serious consideration. Yet the Prime Minister was going to take no chances. The dice were to be heavily loaded in favour of his government. Sir Robert Borden and his chief henchman, Arthur Meighen, forced the measure which was to be a "letters patent" for electoral villainy of the first order through a not unwilling Parliament. The most extreme fears as to what might possibly be perpetrated under a dishonest administration of this Act, was as nothing in comparison to what actually took place.

Hector McInnes, K.C., of Halifax, partner in Sir Robert Borden's law firm, was sent overseas to take charge of the contemplated election frauds. He enlisted the services of Lord Beaverbrook, Sir George Perley, some of the staff at Headquarters, the Generals in command of the several camps, the C.O.'s of the battalions and certain of the floating army of "Brass

Hats," whose war-winning efforts were confined to wine and women, and drawing their cheques from the Pay-Office.

Although at first I had no actual connection with the arrangement made by the Liberals in Canada for looking after Liberal soldier-voters, I had some concern in the matter knowing what my party was up against, and having had so long an experience of what goes on under Tory "flag-waving." Amongst those with whom I conferred as to possible trouble, and one of the keenest and most enthusiastic, was the ex-Liberal M.P. for Haldimand, Ontario, Lieut-Col. A. T. Thompson, an intimate friend of Laurier's. He left me one day in London with the understanding that he would return and bring back with him in a few days a number of Liberal fellow-officers to discuss what might be done to ensure a clean election. To my surprise he sent a brief note instead, saying he had accepted the election agency for the government. The next day I had a cable from Sir Wilfrid Laurier, asking if I would look after the Liberal interests. Two days afterwards, I was shown the copy of a cable from the government in Ottawa to Sir George Perley (High Commissioner), instructing the latter to put certain officers at work to make sure of the soldiers' vote for the government. It will be understood that the buttons were off the foils!

I got into touch with an officer on the Election Committee of the 5th Canadian Division, which was stationed at Witley Camp. The Division had been in training for some months. General Garnett Hughes had had a written promise given by certain members of the government that "if the boys voted right" he should go to the Front in command of the Fifth Division. He formed a Committee consisting of the officers in charge of every battalion, save one, in the

division, which met once or twice a week and arranged in detail in which constituencies fraudulent votes were to be placed. The same thing was going on at Bramshott Camp, where General Meighen was Commanding Officer, and in all the small Canadian camps in England. I had confidential and authentic reports of all these committee meetings at Bramshott and Witley.

I went to Lieut.-Col. Parsons (Chief of Staff to General Hughes), telling him frankly the character of the information I had received. I pointed out to him that British public opinion was very sensitive where irregularities in elections were concerned; and I suggested that the election should be a clean one, for the sake of the honour of Canada. That it was not a question of war or no war—the war had to go on in any case; it was entirely a question of administration, and it should be possible to agree to differ on that point in a clean and decent way. I told him that if he would give me his word of honour that there would be no frauds, such as I had heard were being contemplated, that I would not appoint a single scrutineer in his division. He gave me his solemn assurance, pledging his honour as a soldier and a gentleman. The very next morning he called the election Committee together and said to them, "I have fixed Preston. He'll appoint no scrutineers. Now we will carry out our programme without any fear of interference." Of course this came to my ears before many hours had passed. I knew exactly what was to take place and made my arrangements accordingly.

The night before the voting I notified General Hughes that my scrutineers had been appointed. The result was that several were refused admission to the polling sub-divisions by the officers in charge. I, myself, was arrested when I went to Witley Camp

and kept in prison until late in the afternoon; only being released, as I was afterwards told, by a very peremptory order from the War Office.

Never can there have been such frauds, never an election such a travesty! In the office of the High Commissioner in London the constituencies were carefully gone over. Instructions came by letter and cable from the Cabinet at Ottawa, telling the number of fraudulent votes which must be allotted to ensure the return of the government candidates in their respective constituencies. In the regimental polling-booths the fraudulent votes distributed by the Deputy-Returning Officers were from 60 per cent. to 95 per cent. of the number of names on the regimental pay-sheets. These votes were to be allotted fraudulently to constituencies where the qualified vote would not suffice to elect the government candidates. This conspiracy involved the necessity of wholesale perjury, stuffing of ballot-boxes on a large scale and replacing proper ballots by fraudulent ballots. American citizens and British soldiers were permitted to vote; English employees in Canadian hospitals were directed to vote. Entire battalions voted en masse for government candidates in constituencies where not one was legally entitled to vote. For Sir Thomas White's constituency, half a battalion had their names written out alphabetically from "A" to "H" on ballots and put in the boxes, not one of whom had the right to do so. The brother-in-law of Hon. Mr. Rhodes (Speaker of the House of Commons), a Major Burke, registered the entire Ordnance Corps of Ashdown, Kent, for the County of Cumberland (Nova Scotia), though not one of the men had a vote in that Riding. J. A. B. Hayden, of the Dominion government printing-office, entered 1,242 votes on his poll-book at Bramshott Camp, of

which only forty-two of this number were legal, the other 1,200 being divided amongst four Quebec constituencies, for one of which the Hon. Mr. Ballantyne, Minister of Marine, was the government candidate. Afterwards I heard Hayden admit that he did this under cabled instructions from a Cabinet Minister at Ottawa. One clergyman told a whole battalion at Witley that they were justified in taking the oath and polling their votes in other than their own counties. Another clergyman canvassed visitors at The King George Hospital in London to register as voters for the government, assuring them that as they "were kind to Canadian soldiers," the law would allow them to vote. An army chaplain personally conducted his company to two polling subdivisions to register their votes at both. Englishmen were put into Canadian uniforms and were given lists of names with directions to vote at all the polling places in London.

AND WORSE! Soldiers' letters from relatives at home were withheld by the Censor, if it was discovered they were being advised to vote against the government. Bogus cables were sent to the soldiers by government order, charged to the government's accounts, purporting to come from their families and advising them not to oppose the government candidates. Parents and relatives in Canada were urged to send greetings by cable to the soldiers at the government's expense; and to these the Censor at Ottawa added admonitions, under government instructions, to vote for the government.

AND WORSE, STILL WORSE! There was a Committee composed of senior officers, with an office in Piccadilly, which had the duty of finding out soldiers who were too frank in their Liberal sympathies. These men were sent to the Front at the first opportunity. To

one officer who was getting "cold feet" at the extent of the proposed frauds, and feared an enquiry, the reply was made: "Those likely to tell will be buried in France in six months." Non-combatants in the Forestry Corps who spoke against the government were sent without compunction to the trenches. Two officers attached to General Headquarters, Argyle Street, bearing names which are well known in political life in Canada, had authority to send to the Front any soldier who was too outspoken in his intention to vote for Laurier's candidates. Twelve such men were sent out to "No Man's Land." Not one of them ever returned. A brother of one of these, saying that he intended to vote for Laurier, was told, "Look out! You know what happened to your brother." Five men from the Windsor Forestry Corps, who voted against the government, were sent to the Front two days after the election. Two were lucky enough to return. The wounded in hospitals, one in my own presence, averred that if they voted against the government they would be sent back to the Front sooner. . .

There were more than one hundred senior Canadian officers directly implicated and assisting in these electoral offences. I personally notified Sir John Turner, V.C., at the Headquarters in Argyle Street, in the presence of Judge-Advocate Dennistoun, early in the morning of December 3rd, of what was going on. He put on a great air of indignation that I should accuse his officers of such conduct! He demanded that the charges should be put in writing. I did so within an hour. Immediately afterwards he motored to Witley, called all the commanding officers together and instructed them to leave nothing undone to secure a victory for Borden's government. His orders were obeyed in letter and spirit. Lord Beaverbrook, too,

was not without a share in the good work, even to polling a fraudulent vote on his own. Another dignitary who figured in these nefarious transactions was Lord Brooke—for a time Commander of the Canadian army. Hector McInnes' complicity is proved by his own letters. He wrote to Lieut.-Col. Reid from London, November 30th, 1917:—

"Dear Frank,—

"My advices to-day are that 200 more votes will be acceptable in King's County, the Prime Minister's constituency. Congratulations and in haste,

"Faithfully yours,

"(Sgd.) HECTOR MCINNES."

Reid wrote to McInnes from Boulonge, December 5th:—

"My Dear Sir,—

"A list of constituencies still requiring attention should be sent by messenger to-morrow. This is necessary for all concerned. In reference to your wire, information has been sent broadcast.

"Yours truly,

"(Sgd.) F. A. REID, Lt.-Col."

On the back of this letter McInnes wrote with his own hand:—North Waterloo, 200; Leeds, 200; St. Lawrence, 200; Northumberland, 200; Pictou, 200. The total number of votes to be switched over by Reid to government candidates was, according to the original list, to be 80,000.

For the ballot-counting the government sent over scrutineers from Canada, one-half of whom were nominated by Sir Wilfrid Laurier, as was his right under the provisions of the Act. These scrutineers themselves were so wild with indignation over the scandalous frauds, glaringly evident when the ballot-boxes were opened, that a unanimous decision was

taken that a certain proportion of the ballots should not be counted at all. (This was allowed under a provision of one of the clauses of the Act.) Accordingly, certain boxes were set aside. Next day a peremptory cable from Sir Robert Borden ordered that the contents of these boxes should be counted, or the scrutineers would be dismissed from their positions, no further payments would be made for their services, and no provision would be made for their return passages to Canada. The result of counting the ballots in question was that seven more Liberal candidates were defeated.

If any additional evidence of the intentions of Sir Robert Borden's Administration was wanted, to use fraudulently the soldiers' vote, it was furnished by the statement made by one of the Union government scrutineers during the counting of the ballots. Mr. Kenneth Mackenzie, K.C., was among those sent overseas for the purpose. In allocating the ballots to the constituencies, for which they were intended, it was obvious that no Liberal-Unionist in Ontario (with one exception) had received any of the fraudulent votes. During the formal counting this became a joke with the scrutineers. Subsequently Mr. Mackenzie stated that he had gone to Ottawa before polling day, to see one of the Ontario Liberals in the Union Government, with a list of twelve or fifteen Liberal-Unionist candidates for whom a certain number of soldiers' votes would be required. The Liberal Cabinet Minister took him to the Prime Minister. Sir Robert carefully scrutinized the list, calculating how many votes should be allocated to each constituency in question; and told them to go to Hon. J. D. Reid, who had charge of this part of the campaign, who would "fix it" for them. They saw Reid, who promised that the required

number of votes would be provided for from the Overseas ballot-boxes. But the double-cross was given to the Liberal-Unionist candidates, shown when the ballots were counted in London, revealing on the part of the government even less honesty than is supposed to exist amongst thieves.

The first cable I sent informing Sir Wilfrid of the election frauds which were being arranged through the office of the High Commissioner, was returned to me with a memorandum from the government censor that it could not be sent. I went to the Chief Censor (who happened to be a Peer) and showed him the cable, asking him to pass it. His reply was, "Certainly not. This is a reflection upon a friendly government. I cannot allow it." I argued for an hour, at first calmly, then indignantly, but his lordship was adamant. Finally I said, good-humouredly, but positively,—

> "The information in this cable will reach Laurier in two weeks, in spite of every precaution you may take. And the public in Canada will also know that you have refused me the use of the cable lines on such a vitally important matter."

He then asked me to leave the cable, saying, "I will consult the Cabinet about it." Later in the day I received a letter saying that the cable had been sent. There was no delay about my cables afterwards. Referring to the announcement by the Chief Electoral Officer that he was determined to count ballots which were evidently illegal and fraudulent, Sir Wilfrid wrote:—

> "Ottawa, January 18th, 1918.
>
> "My Dear Preston,—
>
> "I have just cabled you to persist to the end against Purney counting ballots which never went legally in the boxes. You may be overcome, but we must prepare a strong case for the public.

"We have been defeated by the same methods on this side of the Atlantic: the 'War Times Election Act' did the trick. With the ordinary Franchise and under the ordinary law of elections we would have won, not overwhelmingly, but surely. I say not overwhelmingly, because the defection of the Liberal-Unionists, of course, was in itself a heavy blow.

"I hope you will persist in your intention of crossing over to this country, as soon as your labours are over on the other side. Accept my thanks for what you have done and are still doing.

"Ever yours sincerely,

"(Signed) WILFRID LAURIER."

I arranged to return to Canada as soon as I had gathered up the threads. The authorities in England were anxious to expedite the transport homewards of Canadian civilians in the United Kingdom, before the rush which demobilization of the Canadian Expeditionary Forces would occasion. My wife and I were allocated passages in the *Aquitania*. We knew neither the name of our ship nor her day of sailing till a few hours beforehand. The *Aquitania* was then a transport, which the Germans were bent on sinking, and every precaution was taken to prevent any information of her movements leaking out.

* * * *

It was an intensely dark night when we slipped like a vast shadow down the Mersey from Liverpool, without the faintest glimmer of light visible on the great ship. There were eight guns on the deck, ready for any emergency, look-outs posted at every point, and the severest naval discipline as regarded even the striking of a match. With the first glimmering of dawn I went on deck, to realize the vigilance of the

watch kept for the German terrors. Not till the third day out was it relaxed for a moment. There were a number of wounded and demobilized N.C.O.'s and privates on board. Very early in the morning of the second day some of the wounded managed to get up from the steerage to the more comfortable quarters on the lower cabin deck. I was chatting with one of them, who knew me by name, when an officer came out on deck. He saw the wounded all around, and shouted: "What in h—— are these men doing here? Sergeant, get them back to where they belong. No more of this d——d nonsense." I spoke low to the Sergeant: "This is an outrage; I shall protest against these men being moved." The frightened Sergeant answered in a whisper, "For God's sake, Mr. Preston, don't say a word. You'll be put in irons. Take no notice and go inside at once." That same day my wife was most earnestly warned by one of the officers' wives, that I should not be drawn into any argument with the officers on board. I knew that my presence was resented by some of them, who were aware to some extent of the investigations I had been concerned with in the election.

Those days are past. But I shall give a small instance of the demoralization brought about by the War, wherein some of the officers were concerned. On Sunday, the beautiful Anglican Service for Ships at Sea was held in the large dining-saloon. It was crowded by those to whom it was indeed a humble thanksgiving to the Giver of all Good, in circumstances which could not but serve to give our prayers point. The danger through which we had scarcely then passed, the evidence of watch and ward which was as nought to what we would ask of Him, "Who slumbers not, nor sleeps"; all in that room were indeed fain to pray in

humbleness and thankfulness of heart. . . . In the centre of the room there were a number of card tables, at which officers played during the whole time of the Service.

* * * *

The principal participants in the overseas election frauds were not long in claiming the rewards they had been promised on the authority of the government. Had similar offences been committed in civil life, few of them would have escaped penitentiary. Forgery had been committed by signing soldiers' names to ballot envelopes, and in cables sent to Canada in the name of soldiers advising their relatives to vote for the government. Perjury had been committed by every returning officer who had assisted in the fraudulent voting. Murder had been committed by sending Laurier's supporters to the trenches for no other reason than that they had voted according to their principles. Lt.-Col. Frank Reid had been one of the principal of Hector McInnes' tools, as will be seen by the correspondence elsewhere. There had been delay in keeping the promises made to him. He, therefore, arrived at Halifax, February 11th, to read the Riot Act to Hector McInnes. Following this interview, he was advised to write to the Prime Minister a perfectly frank account of what he had done to elect the government candidates overseas. McInnes wrote to Reid afterwards stating, "Sir Robert knows all about it. . . . Sir Robert will help out all those who did their duty in the elections."

By Sir Robert Borden's direct recommendation to His Majesty, Lt.-Col. Frank Reid received the C.M.G. This was the subject of a letter of congratulation from McInnes to Reid.

Hector McInnes received his reward by being invited to accept a portfolio in Meighen's short-lived Cabinet in 1921.

The first thing Lt.-Col. A. T. Thompson, the overseas election representative of the Borden government, did on his arrival home, was to give an interview to the press, stating that there never had been a cleaner or more honest election than the one that had just taken place with the soldiers overseas. The next thing he did was to make a formal report to Sir Robert Borden which was afterwards submitted to the Cabinet, in which he set forth the specific instructions he had issued to the officers in charge of the election, as to the means to be adopted to secure the election of the government candidates. The small reward he claimed for this magnificent work was a Senatorship. He it was for whom the fatted calf was to be killed and the best robe brought forth. Sir Robert Borden's Cabinet was in no position to argue about terms. The Order-in-Council for this appointment to the Senate was actually drawn up. But certain Tories in the House of Commons manifested such opposition to the proposal that it had to be abandoned.

By these nefarious means abroad and much of the same sort of thing at home, by clamourous appeals to the loyalty of the electorate, for whose enlightenment special sermons and prayers were drafted at Ottawa, and sent to Protestant clergymen all over Canada to be used the last Sunday before polling, Sir Robert Borden's government was returned to power. A stranger to Canadian political life might well enquire, "How could any political Party be guilty of such offences and continue in existence?" The answer is simple. One Party did not do it alone. This election was the work of the worst elements in both.

The worst offenders were Sir Robert Borden and Arthur Meighen. They planned this crime and were the principals in carrying it out. The former was too cowardly to face the consequences and the odium of the exposures which seemed to be inevitable. He decided to withdraw from the leadership of the party, and also from public life. If a burial service could be read over his political demise it would not read, "He brought nothing into public life and he carried nothing out." As a matter of fact, he entered Parliament a comparatively poor man, and went out with a colossal fortune. But he went out, stamped as one who had led his party and his country into the most appalling wilderness of political corruption; and then left his followers in a most cowardly fashion to their own sad devices in trying to find such a rehabilitation as was possible. Arthur Meighen, on the other hand, tried to brazen the situation out—with disastrous results.

XLVI

BROUGHT TO BOOK

The Union Government being returned to power, the necessity for meeting the bill for the work by which this means had been achieved, became apparent within a few weeks. A demand for an investigation into the irregularities of the election was inevitable. Not all "the waters of Araby" could wash the stains from its robes,—were these not also "stains of blood?" The Union government, however, prepared the buckets of whitewash and the muzzle. And such was the debasing effect of their moral turpitude, so evil had they themselves become as a Party, they could not then realize that public opinion was bound to turn against them, and that no white-washing or muzzling could stifle it forever. "You cannot deceive *all* the people *all* the time."

Sir Wilfrid Laurier drafted the resolution for presentation to the House of Commons, which embodied a demand for a Committee of the House to enquire into the alleged election frauds in connection with the polling of the Soldiers' vote. His first impulse was that the Hon. Chas. Murphy should move the resolution. Later, he decided it would be better for a Protestant to take this responsibility, and he placed the matter in the hands of Mr. Arthur P. Copp, M.P. (now Senator) for Westmoreland, New Brunswick. Due notice was given to the Prime Minister that the resolution would be moved on a stated day early in the

following week. Sir Robert immediately wrote Sir Wilfrid "to kindly postpone the date till three days later," as he wished to be present during the discussion. This was arranged as he requested, but the day before the resolution was again due he departed for England, without explanations.

Mr. Copp's resolution detailed at length the nature of the election frauds, all of which he offered evidence to prove. A memorable debate followed. Burrill, Secretary of State, the officials of whose department had been the channel through which the most serious frauds had been carried out, tried to ride the "high-horse," and complained that "Mr. Copp's speech was a bore." So it was, though of the rifled kind. Meighen, his weather-eye on the Premier's shoes, made a still more futile attempt at high-mightiness. He demanded, "What are you going to do about it, anyway?" Ballantyne, the Minister of Marine, was not anxious for investigation, remembering that certain women, not noted for respectability, had been sent in hordes to vote for him as soldiers' wives. Sir Herbert Ames may have remembered the army boots made of paper and glue instead of leather, which had been supplied to Canadian boys fighting in the mud of Flanders. Sir George Foster, whitewash brush in hand, spoke plaintively: "*Qui bono*, what's the good, the election is over." General Mewburn (Minister of Defence) had satisfaction in the thought that a letter from one of his own Lieut.-Colonels, which he had received scarcely three weeks previously, had not come under Sir Wilfrid's eye. Speaker Rhodes was in a tainted Chair, the first of its kind in Parliament, in the full knowledge that his brother-in-law had fraudulently voted an entire Ordnance corps for his constituency, but for which he would not have been in Parliament;

and J. D. Reid, Minister of Railways, the principal manipulator of the fraudulent vote—his eyes unconsciously wandered to the ceiling, in doubt as to the position of the sword of Damocles, and nervously twitched at his collar as if to make sure that it *was* a collar! . . . Ex-Judge Doherty, Minister of Justice, an upright judge, trained to weigh evidence, accustomed to punishing the little crimes of lesser men,—what must he have thought? A. K. McLean and W. Carvell, Unionist-Liberals, who had bitterly denounced the Election Act in Opposition, found themselves profiting by villainies beyond their worst fears. As for the Prime Minister,—his place was conspicuously vacant.

The night came when Sir Wilfrid was to speak on Mr. Copp's resolution. Under the harshly-bright electrics, in a silence that could be felt, he rose to his feet; his figure looming like that of an Oracle as he confronted the government benches, whose occupants were obviously cringing in anticipation of the lash which they thought was about to fall. But there was neither scorn nor anger under that lofty brow. It seemed that he was moved by a profound pity. He made no call upon the eloquence of which he was such a consummate master. His words were few. He spoke sorrowfully, his voice charged with solemnity. It was as if a funeral oration was being pronounced upon the government of Canada, a government which had fallen too low for any words to signify the enormity of its crimes. Sir Wilfrid knew that the disease with which the government was stricken must run its evil course. He knew that it would vote down the suggested Enquiry. Yet his face was luminous with a lofty pity beyond all scorn or anger.

The Enquiry *was* voted down, as Sir Wilfrid had foreseen. I motored home with him after the division.

Little was said. Yet I could see clearly the volcano of feeling under his quiet words and serenity of manner. There was no spirit of revenge in him. He but hoped that some day, though he might not live to see it, purity and honour would come back to public life in the country which he so dearly loved, and never so dearly as in this hour of her humiliation.

I had been staying with the Lauriers, having taken the responsible part in preparing a brief for the debate on Mr. Copp's resolution. The morning after the vote in the House was taken, when preparing to leave, I had a profoundly moving talk with Sir Wilfrid.

"Have you ever thought about who should succeed me," said he. "Yes," I replied, "but that will not be yet." Gravely, but quite simply, he responded, "Sooner than you think." We talked the question over for more than an hour and he said, finally, "Think it over and come back to see me in a week. You gave me good advice in 1911 though I did not take it. The break of 1917 cost me too much, to build afresh with Fielding, or Rowell, or Sifton. . . . But the new leader must be a Protestant. I'd ask no Catholic to go through what I have suffered!"

A week later I went to him with a name well-known in legal circles. Sir Wilfrid lifted his eyes, brilliant with some inner communion, and said, musingly, "Strange, I never thought of him. . . . Just the one." Then, turning to me with eagerness, "Do you know him well?" I admitted that he and I had not met for fifteen years but were at one time intimate friends. "Will you go to Toronto to-night with a memorandum?" Laurier enquired. The memo was as follows:

> "Will————come into public life? I will give him a constituency before next session and will give him a seat next to mine in the House. I

cannot promise him the leadership, but if he makes good I will express my wishes to my friends."

The next night found me discussing the matter with———to whom it came as a complete surprise, and was naturally a subject for very serious consideration. Acceptance would involve a break with his established life and interests, and the assumption of onerous and heavy duties. As this was on the eve of the holidays the subject was left for a little time to ripen in the minds of both men. There was a certain amount of correspondence between him and Sir Wilfrid, which passed through my hands. In August a conference took place, Sir Wilfrid coming up to Toronto. This was followed by another visit, which turned out to be his last. He seemed happy and sanguine, saying, "I shall leave the Liberal party with bright hopes for its future." A week before his death he told Mr. Robb, the Party Whip, "If anything happens suddenly to me, go to Preston; he will have something to tell you."

It was not to be given to Wilfrid Laurier to see with his mortal eye the dawn of a better era in Canadian politics, though he sensed its coming.

Of his sudden death and funeral, I cannot speak. My feeling of personal loss was swallowed up in my sense of the terrible loss to our country.

When I met Mr. Robb at Sir Wilfrid's funeral I told him everything, leaving it to others who were responsible for the Party management to act as they saw fit. But there were those who did not wish to see a strong man from outside at the helm then. Which is the way history gets written. Visions . . . And—*Deus ex Machina!*

XLVIII

THE LIBERAL CONVENTION, 1919

The Liberal Convention of 1919, called for the purpose of selecting a Leader in the place of Sir Wilfrid Laurier, of beloved and honoured memory, was an occasion not soon to be forgotten. There had been no Dominion Liberal Convention since 1893, and of that gathering there were but thirty left to attend this one, showing the great changes in the rank and file of the Party since that time. Laurier had been selected by a caucus of Senators and Members of the House. Was the choice of the present democratic assembly to be as happy?

D. D. Mackenzie had been selected by a caucus of the House, after Laurier's death. His ability in filling the position came as rather a surprise to those who had not known him well; and, but for a casual remark as to the necessity of maintaining reasonably high tariffs, he might have been chosen to be leader. Yet many Liberals felt committed to a lowered tariff, and opposed him. Fielding was for many reasons Laurier's natural successor. He was held in very high esteem; but his break with Laurier in 1917, and his support of the Union government, could not be forgotten nor altogether forgiven. Laurier had known in the last few weeks of his life of his old friend's intention to return to his support. He had offered Fielding his old seat in the House next his own. Fielding had refused to oust D. D. Mackenzie, which was quite consistent with his fine courtesy. But his reasons for refusing

what Laurier had intended as the olive-branch had been misunderstood, unfortunately. To the majority at the Convention, Fielding was very welcome to return to the Liberal fold. Yet to be chosen to wear Laurier's mantle? *No!* The Convention was Liberal to the hilt—the Liberalism of pre-war days, and no backslidings allowed! Hon. G. P. Graham had only "wobbled" but he, too, was out of it. Hon. Sydney Fisher's name had been mentioned in connection with the leadership. At first he had been willing to stand, but two or three weeks before the Convention met, he told me he preferred to retire in favour of Mackenzie King, for whom many of the Ontario delegates were committed to vote, failing himself.

Still Fielding's claims to the leadership were so obvious that the first vote proved the contest would be between him and King. In the final ballot Mr. Mackenzie King won by a majority of thirty-eight. Then the older man made the fine gesture of standing aside in favour of his younger rival, and moving a resolution to make the election unanimous. The Convention responded to this fine spirit in happy style, and the resolution was carried with great enthusiasm. Thirty eventful years before, the destinies of the Liberal Party had been entrusted to the hands of a young and untried man, in the person of Wilfrid Laurier. So again was Fate to decree. To the new leader had not yet been given any great responsibility. But he was the grandson of William Lyon Mackenzie, the hero of the long-ago dispute with the Family Compact; and with this happy omen the Liberals of 1919 were content. The Convention dispersed that day satisfied with its choice.

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It had been Sir Wilfrid's wish that the matter of the election frauds should be brought up by me at the Convention. This had been arranged before his death. Consequently, it was my intention to introduce a resolution condemning the frauds connected with the soldiers' ballots in the late election. Accordingly, notice of a resolution, outlined by Sir Allen Aylesworth, was sent more than a week before the Convention met, the receipt of which was duly acknowledged by Hon. Chas. Murphy, Chairman of the Convention Committee. The day before the meeting a printed agenda of all the resolutions was circulated. My resolution had been omitted. After a hurried consultation with Aylesworth, Sydney Fisher and two or three others, another notice in duplicate was sent to the Secretary personally, and also to the headquarters of the Convention. It passed the Committee on Resolutions, and was sent on to the Chairman of the Convention, recommending myself as mover, and J. A. Adamson, K.C., of Winnipeg, as seconder. The Hon. Secretary of the Convention, now Judge Duncan Ross, suggested that this resolution should be placed first on the agenda for the next day. This was agreed to. Before the Convention was open in the morning, Hon. George Murray, Joint-Chairman, asked me to see if my resolution was on his table. The Hon. Charles Murphy was on the platform, and on explaining to him what I wanted, he blurted out, "You've *no* resolution before this Convention!" I found my resolution, but with other names substituted as mover and seconder. I reported to Mr. Murray and he told me to come to the platform as soon as the Convention opened. Sir Lomer Gouin, Joint-Chairman, turned to me and said with grim emphasis, "Your resolution is coming up as arranged. Stay where you are." Notwithstanding

Murphy's vehement protests, Mr. Adamson and I remained on the platform. Thus it will be seen what strong influences were exerted to hush up the election scandals even at the Liberal Convention; and what persistent attempts were made to prevent discussion of the question. If this plot had succeeded, there would have been no resolution on the election frauds at the Convention.

It was with very mingled feelings that I faced the five thousand delegates assembled in the hall. Not Laurier's own fine presence, but merely his flag-draped portrait, graced the platform. I realized anew his loss. But I had a strong feeling that he was with me in spirit. Over a quarter of a century had gone by, and many waters had flowed beneath the bridges, since I addressed a Liberal gathering in Canada. For a few moments I felt a stranger to mine own people. For a few moments I realized with distress how great a gap there was between the older generation and the one I faced. For a few moments I feared that my work on the other side of the seas the many years past had made a barrier between myself and the problems these Liberals were facing. But soon, so soon that I was amazed and touched, I found again the magic bond of understanding between myself and my audience. Soon I felt their sympathy. And I felt that my subject gripped them as it did me. As I made way for my seconder, after asking for a unanimous support to my resolution, the meeting broke into thunderous applause. No! Liberals had *not* forgotten!

Mr. Adamson (now Justice Adamson) seconded the resolution in a fine fighting speech, of which only a precis can be given here.

" . . . The fight which brought Liberalism into existence was the fight for the franchise and the ballot,

electoral corruption strikes at the very foundations of our rights and institutions, the Borden government stole its way into office. We were promised that the Conscription Act would not be used for political advantage. . . . Dozens of constituencies were won for the government on promises made under the Act. I have in my hands the evidence of a specific instance of this. Mr. A. E. Blount was Sir Robert Borden's Private Secretary, his confidential man, now Clerk of the Senate at a salary of $6,000 a year. On the fifth of December, 1917, Senator W. H. Sharpe, of Manitoba, telegraphed to Mr. Blount, who was then in Ottawa, in the following words:

"Winnipeg, Man.,
Dec. 5th, 1917.

"A. E. Blount,
Ottawa, Ont.

"There has been a big row created here by E. H. Hutchins in reference to his son being conscripted. He offered to subscribe five hundred thousand dollars to the Victory Loan, provided his son was not conscripted. His son has been conscripted. He is now appealing to Judge Duff at Ottawa. You must see that no decision is made on this before election. We want to keep him in doubt until after the election and then his conscription should be upheld, or it will cause a small rebellion here. Please see proper people and have this matter arranged.

W. H. Sharpe.

"Charge Union Govt. Committee."

". . . A clear case of the prostitution of the Act for a political end. . . . Just one instance. . . . Another thing the government did was to disfranchise 190,000 loyal citizens in Manitoba of foreign extraction or descent. One of the problems before this country is to make these people good citizens, to give them

faith in our institutions and confidence in our government. They were brought to this country at great expense. They were promised the rights of citizenship. These were refused. Their naturalization papers were treated as scraps of paper. You know the election machinery which was introduced . . . and the switching and manipulation of the soldiers' votes. It was bad enough to switch and manipulate the votes of those who were here; we could, in some degree, protect ourselves. But when the men at the front had their backs turned, this government took their votes and manipulated them for their own advantage, after misrepresenting the whole situation to them. I make the charge here, with proof to back it up, that the Prime Minister, Sir Robert Borden, and his colleague, Hon. Arthur Meighen, conspired to and were guilty of the most glaring electoral corruption, fraud and ballot switching which ever took place in Canada, fully knowing the meaning of my words and the seriousness of the charge. I have in my hand a telegram from Winnipeg, dated Nov. 30th, 1917:

"Robt. L. Borden,
Ottawa, Ont.

"Would like one thousand soldiers' votes at large for Manitoba, of which 300 for Selkirk, balance divided between Provencher, Macdonald, and Springfield, or same proportion of division no matter what our allotment may be.

Arthur Meighen.

"Charge Union Govt. Committee."

I have another telegram, dated four days later:

"Winnipeg, Dec. 4th, 1917.

"Senator Tanner,
Halifax, N.S.

"W. J. Tupper received a telegram from your Assistant Secretary and in reply would say please

allot all unattached votes equally among the following constituencies: Provencher, Springfield, and Selkirk for the Province of Manitoba, and in Saskatchewan, Saltcoats, North Battleford, Prince Albert, Swift Current, and Humboldt. This will assist us greatly.

W. H. Sharpe.

"Charge Union Govt. Committee."

". . . was there ever a more damnable political crime in this country? If this does not shock any conscience that is left in the Canadian people, I do not know what will. When we think that Canadians preferred men who were guilty of these things to Wilfrid Laurier, it is enough to make the angels weep. . . . If you take away constitutional means of redress, the people will resort to unconstitutional means. If you wish Bolshevism to flourish in Canada, let this sort of thing go unpunished."

It is a matter less of telling than imagining with what interest the Convention listened to the record of iniquity presented to it. The story was not received as a tale of party politics, signifying nothing. Still less was it received in an avenging spirit. It was my wish, and Laurier's, too, that it should be received rather as an "Awful Warning."

This Convention will always be remembered as marking an epoch of happy re-union, and the burying of much of the bitter feeling of 1917. Leaders and rank and file were again welded together. True, prominent Liberals were still in the Union government, some of them fated to drift into the Conservative Party, either through the acceptance of office or through the pressure of events. While the Liberal leaders were willing to welcome back those who had broken with Sir Wilfrid in 1917 on the conscription

issue, the rank and file let it be seen unmistakably that they were not killing any fatted calf, for such. They did not believe that Sir Wilfrid required any justification. They believed the future would show him to be justified. As to the rest, "Once more into the breach, dear friends!" Where the attitude of the rank and file of Liberalism was concerned there could be no misapprehension. The heart of Liberalism was sound.

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When travelling as Canadian Trade Commissioner in South Africa twenty years ago, I was continually reminded of the ravages of the Boer War. At most of the stations up-country and along the railway tracks, there were little white crosses to be seen which marked the graves of those who had fallen in the long, widespread guerilla warfare in which the war ended. I had frequent occasion to remark on the number of my own fellow-countrymen who had found a last resting-place in that land so far from their own. There may have been mistakes made by the Staff in South Africa then. There were crimes committed in France and Flanders in the Great War—crimes of ignorance, perhaps, and committed out of the extreme urgency of the hour, but crimes of an appalling recklessness and ruthlessness. If this country is to take part in war abroad again, there must be a properly organized system for training officers in Canada. Never again must authority be put in the hands of officers who have had neither training nor experience to any really adequate degree. The science and art of war requires the highest degree of training. In England it is considered that it takes years even to make a good junior officer. It takes years of experience and unremitting

study to make a good senior officer. It is no job for the amateur, save under most exceptional circumstances. To set amateurs to fight highly-trained professional officers is nothing less than insanity.

While the War was in progress the truth was not published. Press correspondents were subject to the most rigid censorship, and rightly so. It was absolutely necessary that the enemy should have no inkling of what was taking place behind the lines, nor could public confidence in the leaders of the army be disturbed. For four years the public was fed on official "terminological inexactitudes." How quickly after the War was over and the correspondents' pens were unleashed were SOME of the facts made known!

The awful holocaust that was necessary in order to hold Verdun has long been well understood. But it was not until the formal dedication of the awe-inspiring memorial at Menin gate, Ypres, that the world realized the price that was to hold that salient in order to prevent the Germans from getting through to the channel ports. On this memorial there are engraved the names of 57,000 British, Canadian, Australian and Indian soldiers who disappeared off the face of the earth. Not taken prisoners, but swallowed up in the quick-sands of mud, blown to pieces by mining, shells and artillery, nothing whatever being ever found either to identify or bury. Language fails in the presence of such a record.

One fact which needs no emphasis at my hands was the magnificent quality of the Canadian troops sent to fight the rigorously-trained German army. There were none better in the Allied armies, none more intrepid nor more nobly self-sacrificing. Thousands of them deserved better leadership than it was their fate to have. The truth has never been told of

Passchendaele, Cambrai, Arras and Mons*. Certain incidents have been hinted at in the House of Commons, but no one has had the moral courage to demand an investigation. Yet the truth should be told, if only as a deterrent to a repetition of the mistakes that were then made. It is no secret that the late Sir "Sam" Hughes was just getting his eyes open to the situation in certain quarters when his resignation was demanded by Sir Robert Borden. Sir "Sam" had taken it upon himself to investigate two matters overseas, certain expenditures, and certain specified alleged blunders on the part of the Canadian High Command. A Commission was appointed of Lt.-Colonels McRea, Reid and Neill to inquire into the former; the latter was a more confidential affair. When Sir "Sam" returned home in November, 1916, he had with him two reports. The McRea-Reid-Neill investigation showed an expenditure of from fifty to seventy millions of dollars per year, which was absolutely inexcusable, over the legitimate costs of the Overseas Forces. THIS I KNOW. The report upon the Staff work was equally serious. As regards the latter, in 1920, Sir "Sam" stated in the House of Commons, that had he remained in office six weeks longer, there was more than one highly-placed officer who would have been compulsorily retired, or summarily dismissed from the

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*Sir Sam Hughes (Hansard, 1919, Second Session, page 206), referring to Cambrai and Mons, said:

"Bull-head and incompetency are traceable by the horrible casualties rolling up. . . . Any ass can sit back and simply order battalion after battalion to go forward to certain death. General Foch does not want that sort of thing, neither do the people of Canada. . . . I have just this to say about Mons. Were I in authority, the officer who four hours before the Armistice was signed, although he had been notified beforehand that the Armistice was to begin at eleven o'clock, ordered the attack on Mons, thus needlessly sacrificing the lives of Canadian soldiers, would be tried by Court Martial, and punished as far as law would allow. There is no glory to be gained, and I cannot find one Canadian soldier returning from France who will not curse the name of the soldier who ordered the attack."

service*. If Sir "Sam" had not told what he intended to do with certain amateur military blunderers, it is more than likely that the agitation to get rid of him would not have been so successful.

Sir "Sam" referred to the inexcusable waste of Canadian lives at Cambrai, though he did not give details of Arras. The Canadian High Command in that area had been instructed by the British Headquarters to launch an attack on the German defences on a certain date, the infantry movement to be preceded by the armoured tanks, respecting which, instructions were issued. The Canadian commander did not choose to be beholden to British tanks; and the Canadian attack was ordered to take place without this preparation. The result was that the Canadian forces went right on the unbroken German wire-entanglements. There was a frightful and needless loss of life. One unit or battalion that I myself know of, lost every officer from the Colonel down, and but a fraction of the men escaped. Afterwards, hundreds of bodies were seen impaled on the wire. Yet, the General who ordered this butchery, was one appointed to lead Canadian troops into Germany.

Why has the knowledge of such an incident as this been withheld from the public? Very recently, I have had an opportunity of seeing a diary, very carefully made up from day to day, written by one on active service and in close touch with Canadian Headquarters, which, if it was published, would create a sensation. It would certainly invite an agitation for a change in our military system.

If a history of the War could be written by a simple

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*Sir Sam Hughes (Hansard, June 16th, 1920, page 3365):

"Had I remained in office six weeks longer, not only Genl. Currie, but several other officers would have been asked to hand in their resignations."

soldier, from the honest point of view of an ordinary infantryman, it would indeed be a tribute to the N.C.O.'s and rank and file, an Iliad of heroism and glowing deeds; but some of the gold lace of the Higher Command might find itself rather tarnished.

XLIX

"STAND NOT UPON THE ORDER OF YOUR GOING— GO AT ONCE"

The second session of 1919 was called in December, ostensibly for the sole purpose of ratifying the Treaty of Peace at Versailles, after the War, to which Canada was one of the signatories. It was officially announced in Parliament that Sir Robert Borden's absence was due to his having broken down in health, and that he had gone for a tour around the world in Admiral Kingsmill's flagship. It is still a question whether Sir Robert's illness was physical collapse or an unwillingness to face the music at Ottawa. Rumour, then, was inclined to the latter explanation.

The Treaty was duly ratified. In reply to inquiries, the government fixed an early day for prorogation. A contract or proposal for the purchase of the Grand Trunk railway had already been arranged for, pending the consent of Parliament. Suddenly like a bolt from the blue, the government introduced the necessary legislation to the House, in a resolution to confirm the purchase. The terms and conditions were set forth in the resolution, together with a list of the securities to be purchased.

For some time the Grand Trunk railway had been in a parlous condition. It had not been paying interest on the Grand Trunk Pacific bonds which had been guaranteed by the Grand Trunk. For twelve months and more the government had taken a high hand with Sir Alfred Smithers and the Board of Directors,

making their position still more difficult. It threatened to put the railway into the hands of the Receiver. The correspondence was kept in the public eye through the press, in a shrewd calculation that the publicity would have the effect of causing the bonds to depreciate still further. It had this effect. The bottom dropped out of the market. The government had no shadow of right to threaten the Directorate as it did, almost to the point of confiscation. But it took advantage of the position practically to force the Directorate to sell the line, on the government's own terms. And while the Directorate were being beaten to their knees, a Canadian ex-Cabinet Minister went quietly to London, and surreptitiously secured an option on the depreciated stocks. The legislation for the purchase of the railway was taken charge of by Mr. Meighen. The Liberals opposed the measure; but Mr. Meighen practically forced it through the House. Enough opposition to the sale was manifested by the stockholders in England to make impossible the calling of a meeting for the purpose of ratifying the sale; and the government afterwards passed a Bill disfranchising thousands who had a right to vote from voting in the matter.

When the announcement was made that the Canadian government, by the terms of the sale, was to assume "par" liability for certain of the Grand Trunk securities, they soared in value. In ten days they increased $20,000,000. Very shortly afterwards, several members of the House of Commons found themselves rich men. The Liberals pressed most pointed questions on the government, as to who had profited by the increase in value of the Grand Trunk securities after their sale. The questions are still unanswered, though it is only fair to Mr. Meighen to say that there was

never the slightest suspicion that he was one of those who profited in this matter.

As for Sir Robert Borden, according to the cabled reports, he played golf at all the ports at which the Admiral's flagship called; until the Admiral received a summons to return to England, and the "trip around the world" was apparently abandoned. Meanwhile Parliament had prorogued. The Grand Trunk purchase by the government had been ratified. The Prime Minister's courage could not longer be put to the test by undue inquisitiveness on the part of the leader of the Opposition as to who had profited by the administration having taken over the Grand Trunk railway. Sir Robert Borden, therefore, returned to Ottawa, officially speaking, "quite restored to health." The occasion had passed for another attack of "cold feet." At least for the present.

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Before official announcement was made of Sir Robert Borden's resignation as Prime Minister, it was recognized as quite inevitable by the public. There was a good deal of interest as to who would be chosen to try to pull the government out of the bog in which the election frauds had landed it. From the first it was seen quite clearly that the Union government must inevitably come to an inglorious end. The rank and file of the Liberals in the House, who had been elected as Unionists in the late election, were restive under the yoke. Most of those in the Cabinet had been too closely identified with the questionable procedure in connection with the purchase of the Grand Trunk railway, to assume any virtue or indulge in a critical attitude.

There was one exception, Hon. N. W. Rowell, President of the Privy Council. Rowell had been

leader of the Provincial Liberals in Ontario before joining the Union Administration. He had not been altogether unaware of how the Soldiers' ballots had been distributed in the late election, even going so far as to interview Borden as to some share of these being given to Unionist-Liberal candidates in Ontario. This he was promised, but his honourable colleague, Hon. J. D. Reid, was too unbendingly Tory to countenance any assistance being given to a Liberal, even one who was pledged to support the government. When the ballots were counted, Reid's treachery became apparent, as has been remarked in a previous chapter. The Tories of Reid's calibre in the Cabinet were jealous and resentful of Rowell's influence with the Prime Minister. Even though it was hoped that he would throw in his lot with the Tory party, the discredited wing sought to cripple him. But in point of fact Rowell had already remained in the Union government too long for his political good. He had been strongly advised by Senator Proudfoot to retire in 1919.

It is generally known that when Mr. Meighen formed his government, on the resignation of Sir Robert Borden, Mr. Rowell was offered a portfolio. Had the latter accepted, it is a fair guess that he might have been in the running as Mr. Meighen's successor in 1927. Certainly there was no one else in the Tory party possessing his ability, political experience, or high character. And it is even more certain that if he had not joined the Union Government in 1917 he would have fallen heir to Sir Wilfrid's mantle (in 1919) and to have been Liberal Prime Minister in 1921. This is the gamble of politics in which the uncertainties of mere accident play so large a part.

It was quite inevitable that Hon. Arthur Meighen should be chosen as successor to Sir Robert Borden.

He had borne the brunt of the responsibility in leading the House during the protracted absence of the First Minister. Though called on by the Governor-General in July, 1920, to form a Cabinet, he did not reorganize it until September, 1921, practically on the eve of an appeal to the electorate.

Whatever hopes had been indulged in by the most optimistic Tories that the young leader could breathe new life into the administration, or would give the country good government if returned to power, they were dashed by the announcement of the personnel of his Cabinet. No leader had ever presented so sorry a group of aspirants to the public confidence. Never had been seen such useless Cabinet "timber."

The Liberals, on the other hand, were in fine form. They were filled with hope. They rallied around their young leader in confidence of coming victory. Four years before they had almost been annihilated by the fraudulent Soldiers' vote. That outrage was now to be avenged. When the ballots were counted, Meighen had but fifty supporters. He had been buried in indignation by his own constituents. The pendulum had swung. In the place of being a broken Opposition, rent from within, the Liberals were a united, victorious party, with the fair prospect of a working majority in a three-party House.

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An aftermath of the Borden-Meighen-Rogers legislation for securing possession of the Canadian Northern and Grand Trunk railways is now looming up. From the very beginning, the policy of that government, where the railways were concerned, was anything but satisfactory. During Meighen's short-lived administration in 1926, authority was given to the Canadian

National railway management to assume the liability, under a government guarantee, of old Canadian Northern railway securities for £10,000,000 ($48,600,000). Apparently the matter was regarded as settled, and the Mackenzie King administration introduced legislation confirming the arrangement in the next session of Parliament. The alacrity with which the temporary leader of the Conservatives (Hon. Hugh Guthrie) in the House approved of the government proposal, gave rise to a suspicion that all was not as it might be. Thomas L. Church promptly moved a resolution asking for a list of the beneficiaries under the proposed arrangement; ostensibly to inquire whether speculators, or the original shareholders were in the position of profiting by the Canadian government having assumed liability. Up to date, the information has not been revealed.

The Mackenzie King government now finds itself in the predicament of having another of the Borden-Meighen chickens coming home to roost in the costly precincts of the Privy Council. It promises to be a bird of remarkable ill-omen. In the 1919 session, Meighen rushed through the House a Bill disfranchising thousands of Grand Trunk stockholders in England, from voting on the proposed transfer of the G.T.R. property to Canada, under the arrangement then being made with Sir Alfred Smithers and the Board of Directors. In the opinion of prominent British, American and Canadian counsel, this legislation is *ultra vires*. If their contention is upheld, there is more than a possibility that the possession of the Grand Trunk railway by the Canadian National is not legal. The holders of the Grand Trunk securities, represented by Lord Askwith and Mr. R. C. Hawkin, on the advice of Sir John Simon, K.C., are entering suit

against the Canadian government for twenty-seven million pounds sterling—$135,000,000.

What a commentary on the public life of this country, that there should exist even the possibility of anything wrong in such supremely important matters. Unfortunately, it does not cause surprise to a student of Canadian political history. Individuals and corporations alike claim the right to exploit the Dominion treasury—the more wealthy the individual and corporation, the more the right is insisted upon. If Canada could recover but a tithe of what has been wrung out of the treasury for the enrichment of corporations and wirepullers, the country itself would not have to bear so heavy a taxation. The only remedy is in the hands of the voters themselves.

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A GOVERNMENT IN DIFFICULTIES

December 6th, 1921, saw the Unionist Government down and out, and with it the Conservative party. Yet after the paean of joy on the part of the Liberals, it was recognized as doubtful who exactly was "in." Of out-and-out Conservatives, dyed-in-the-wool supporters of Mr. Meighen, there were but fifty. Liberals elected on the party ticket numbered 117, and the Conservatives, 50; *tertium quid*, the unknown quantity, were the representatives of the so-called Progressive Party, really the Farmers' Party, numbering 65, and Labour three. The Farmers' Party had come into two-dimensional politics as a disturbing factor more than once. This time it held the balance of power.

Mr. Meighen's resignation was, however, a foregone conclusion. The Governor-General sent for Mr. Mackenzie King. The new Prime Minister proceeded to the construction of a Cabinet. Certain appointments were obvious, one of these being that of Sir Lomer Gouin to the Ministry of Justice, which gave very general satisfaction. He had been Premier of Quebec for many years and his administration earned public confidence and approbation in the highest degree. Also, the appointment of Mr. Jas. Murdock to the Ministry of Labour was generally expected. Mr. Murdock had been defeated in Toronto, but another seat was found for him by the retirement of Mr. A. McCoig, from West Kent. Mr. W. E. Kennedy's appointment to the portfolio of Railways, one for

which his business experience eminently fitted him, was unexpected, as thereby the Catholic representation from Ontario was increased. This appointment, surprisingly enough, was resented by a fellow-Catholic. Yet Kennedy had not been long in office before he gave promise of a brilliant future as an administrator, and as one who need never owe any political advancement to ecclesiastical support. His untimely death was a loss to his department, and a serious loss to the Liberal party.

These three, with Messrs. Fielding, G. P. Graham, J. A. Robb, Ernest Lapointe, J. Bureau, C. Stewart, W. Motherwell, D. D. Mackenzie, A. B. Copp, W. E. Foster, C. Murphy, Dr. Beland, R. Dandurand, T. A. Low, Dr. King, H. Bostock and J. E. Sinclair, formed Mr. W. L. Mackenzie King's Cabinet. Thus were the Liberals in office again, having had some tragic experiences since their defeat ten years previously. There was general approval with the appointments. But, the new government had only a majority of one in the House of Commons.

From the very beginning it was only too evident that the government was in no position to have any traffic with legislation of a controversial character. Progressives, Labour and Independents alike dreamed dreams and saw visions. But to translate these into practical politics was impossible. Each group, as a separate unit, was out to hamper the government. The brilliant feminine member of the Canadian House of Commons, Miss Agnes McPhail, expressed the situation as being a distrust of the leaders of both the old parties, by the new groups, "A plague o' both your Houses." She alleged that Mr. Mackenzie King made promises he did not intend to keep; while if Mr. Meighen were given a chance to carry out his promises,

it would be a calamity for the country. Miss McPhail is the ardent advocate of a system of administration by which each group would be represented in the Cabinet—a sort of New Heaven and New Earth, in which not even a minority could govern!

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The opposition on the part of the Progressive Party was particularly ill-advised, in connection with two questions, of overwhelming importance to the entire agricultural community, in which this party joined hands with the capitalists and combines to thwart the enactment of legislation by the government, to which reference will now be made.

One of the first matters to which Hon. W. L. Mackenzie King was committed to give consideration was the question of the transport of the Western grain. It is amazing how little control those engaged in a basic industry exercise over the enormous superstructure of wealth and financial interests raised upon their toil. For the most blazing example of this truth one has only to consider the case of the farmers. Of no other section of the community can it be so truly said, "In the sweat of thy brow shalt thou eat thy bread." They lead lives of hard and unremitting effort, often so close to the edge of disaster that two consecutive unfavourable seasons may bring absolute ruin to them. Yet upon their all-too-inadequately remunerated efforts, the banker and broker, the whole enormous body of railway and steamship owners, shareholders and employees, and the mass of subsidiary industries, trades and workers, wax fat.

The farmers of the West upon whom so much of the wealth of this country depends, seem astonishingly indifferent to the "politics of the grain." The price

the farmers must accept for the work of a whole year is connected with that of transport, to such a degree that it may be said that the cost of transport governs the price of the grain. Yet, while appearing to take an interest in the question, they fail to concern themselves sufficiently with the vital necessity for electing representatives to Parliament who will give this extremely important question the consideration it should have. They have their "Grain Growers' Association," the "Council of Agriculture," various United Farmers' Organizations, and a political party which calls itself the "Progressive Party." But into all these, creep interests which are diametrically opposed to those of the basic producer. They are interests more nearly related to the serpent than the dove, passing specious resolutions and forming political platforms, deliberately calculated to divert attention from the real needs of the farming community. So often has this been done that the gullibility of farmers has become a by-word amongst politicians. For example, it was the farmers' vote which helped the policy of Protection to become effective in 1878, whereby the farmer increased the cost of his agricultural implements by one-third; the woollen materials which he had to buy, by 50 per cent.; and everything else that he had to wear from the cradle to the grave by at least 40 per cent. He has lived in this state of bondage for over fifty years. Yet, during that period he repeatedly voted away a market for his own products which would have vastly increased his income, in the cause of sectarian prejudices with which he could have no concern.

It was the purpose of Sir Wilfrid Laurier, in constructing the new trans-continental railway as a government enterprise, to ensure the lowest possible cost

of the transport of the grain from the Western prairies to the Eastern sea-ports, and thence to the markets of Europe. The original estimate of the road was $75,000,000. This would have made possible a rate of four cents per bushel from Winnipeg to Quebec. Unfortunately for the farmers of the West, the road was not completed when Sir Wilfrid went out of office in 1911. The new government made alterations, less to the advantage of the farmers than for the benefit of the contractors, the construction eventually reaching the cost of $150,000,000. Even at this figure, grain might have been carried at half the rate fixed by the Railway Conference. This Conference, which is chiefly in the hands of Americans, controls the rates of freightage on the trans-continental railway lines. The Borden government accepted the rate fixed by the Conference of the new trans-continental line. The Canadian Minister of Railways in the Borden and Meighen administrations would not permit the Trans-continental railway, now merged in the Canadian National, to accept grain at a rate which would have given an ample return upon the capital cost of the railway. No!—and for the reason "that such a rate would put every other trans-continental line out of business." To this extent were the interests of the Western-Canadian farmers betrayed. The new government railway, inaugurated with an eye to their welfare, that the Canadian Pacific railway interests should not be a monopoly in the West, in the recognition of the fact that upon the efforts of the farmers depended the future of the West, and, indirectly, of Canada as a whole, this railway was made subservient to interests utterly opposed to those of the basic producers.

And the Western farmers took this lying down! No support was given to the oft-repeated contention

of Lt.-Col. Vien in the House of Commons, that the attitude of the Minister of Railways was quite unjustifiable. The representatives of the farmers in Parliament were well aware that the opposing interests had their means of influencing governments, by their lobbying and their groups, in Parliament. They knew that these influences were inimical to those whom they represented. Yet the farmers are led like lambs to the slaughter. They do not even show resentment at their betrayal!

The transport of the grain from the West, from the rail-heads at Fort William and Port Arthur, had increased from unnoticed small beginnings to 290,000,-000 bushels in 1921. During the season of navigation n 1922, the rate for carrying grain between Fort William and Montreal or Quebec, varied from nineteen cents per 100 lbs. to thirty-four cents. The minimum transport rates were fixed at a Conference held in New York early in the spring. Representatives of all the American and Canadian railways and, as well, representatives of the Canadian Upper Lake steamship interests, attended this Conference; and all were bound to the strictest secrecy as to the proceedings. The rates had been gradually doubled; and this, notwithstanding greatly increased facilities and more economical methods of handling the grain.

There were certain points connected with the transportation from railhead to port which led to grave suspicion on the part of the government that there was something in the nature of a Combine operating on the Great Lakes. In 1923, on the recommendation of the Minister of Trade and Commerce, I was appointed by the Governor-General-in-Council to make enquiries, and report. Speed and secrecy were stipulated as essential. When informing me of the decision

of the Cabinet, the Prime Minister quite frankly added that there was not a little opposition to my appointment, and that it would be disastrous to the success of my mission if any publicity were given to the matter, and above everything else, my mission was to be kept from the Press.

Yet knowing to what degree I could rely upon the discretion of the Press, I communicated confidentially with the heads of four or five of the leading newspapers before going to work. I explained that I had a confidential mission in hand for the government which any publicity might endanger; and I asked them that if any communication concerning me reached their offices, to refrain from publishing or drawing any attention to it, until I could see them personally, later. In no single instance was my confidence misplaced. Several months later the Prime Minister himself gave the contents of my complete report to representatives of the Press. Until then, absolute silence was observed.

Even within a fortnight, by hurried visits to Montreal, Winnipeg, New York, Buffalo and Chicago, I had collected such evidence that a full report was considered essential. Then, from Montreal and New York in the east, to Winnipeg and Minneapolis in the west (including, of course, visits to all the large shipping ports of the Great Lakes), I followed the trail. More and more sinister became the evidence of a Steamship Combine in the Upper Lakes. In the course of my investigations I came into contact with many people with whom I had no acquaintance, but who were in a position to give me information I wanted. It was never denied, but a condition was sometimes made that I should never reveal the source from which it came. It was borne in upon me, as the

evidence gradually piled up, that matters were infinitely worse upon the Great Lakes than anyone had imagined. There was a Combine of a most infamous character trying to bleed the West white. This had been largely brought about by two Dutch Americans from Duluth, U.S.A., named Wolvin, who seized this chance for making the shipping interests on the Upper Lakes the object of their manipulation. Canadian lake ports in the East were discriminated against, in favour of United States ports. For instance, rates of the Combine steamships were much lower from Chicago to Eastern ports, although the distance was longer by hundreds of miles than from Fort William and Port Arthur. A cargo to Goderich, Ontario, paid a much higher transportation-rate than to Buffalo, New York State, though the former was shorter by twelve hours. To Port Colborne (Ontario) for shipment to Montreal, the rate was almost invariably higher than to Buffalo. Shippers were not permitted transport facilities unless they agreed to allow the Combine to effect their insurances for them in quasi-affiliated companies, some of which had very limited resources, thereby entailing insecurity. This part of the business netted the two Wolvins and their immediate associates over $500,000 annually. The rates which they charged for insurance were far in excess of those available in British and Canadian companies. Another trick of the Combine was to delay the arrival of ships at the rail-head when the demand for shipping was firm, thus artificially creating a demand greater than the supply, and so apparently justifying a still further increase in the rates. The Wolvins were very happily named.

To be brief, the report more then justified the investigation. The Cabinet Minister to whom I finally presented it, sent for me the next day to say,

"This is the most terrible indictment I have ever seen in a public document." Meanwhile the fact leaked out that I was engaged in some kind of an investigation into Combine doings on the Great Lakes. An intimate associate of the principal parties concerned, took occasion to tell me that if I would withhold my report the sum of $150,000 would be placed at my disposal, "either for personal or party purposes." Several personal friends, very prominent in public life, intimated to me that it would be as well to "go easy" with my report. One who meant well by me, whom I considered an intimate friend, warned me that "Wolvin always remembers handsomely those who do him a kindness, and he never lets up on those who cross his path." This is the point to which the management of public affairs in Canada had come.

On handing in my report to the government, I was insistent that the truth of every statement in it, to be of value, must be established under oath. This could only be done before a Royal Commission. And in comparison to the evidence produced before the Commission, my report was far less strong than it might have been. But at once active lobbying was started in Parliament to prevent the findings of the Royal Commission from assuming an effective form. One member of Parliament received a retaining fee of $10,000 from the interests concerned, to use his influence with the government on behalf of the Combine.

The legislation suggested by Mr. Mackenzie King's government fell short of coping with the situation. But the government was in the difficult position of not being able to command a larger majority than one, on a strictly party vote, in the House of Commons. The assistance of the Farmers' or Progressive Party could not be counted upon, even in a matter which so

vitally concerned those whose interests the Progressives were sent to Parliament to look after. This was one of the occasions when the farmers' representatives failed to evince loyalty to the farmers' interests. However, in so far as the legislation went, very large sums were undoubtedly saved to the Western producers. The government also secured authority from Parliament to permit United States steamships to carry freight from Fort William to an eastern Canadian port, in the event of Canadian steamship lines attempting to hold up the shipment of the grain through exorbitant rates. Since then, no further legislative action has been proposed. The Combine still continues as an active institution. It still fixes the freight rates on the Western grain. Apparently the representatives of the producers are acquiescent. Perhaps nothing more will ever be done.

And why should anything different be done? The Combine is satisfied. The Progressive Party is satisfied. Perhaps the Farmers are, too, that they may continue to work for others who toil not, neither do they spin.

My report dealing with the evidence as to the Upper Lake Combine was published in full by the Government Printing-Office. It was a Blue-book of some twenty odd pages. I presume it was available to whomsoever took an interest in the subject. I wonder if any Western farmer knew of its existence, or would in any case, trouble to read a volume which, however dry, concerns him vitally.

Yet . . .

"Give fools their gold, and knaves their power,
Let fortunes' bubbles rise and fall;
Who sows a field, or trains a flower,
Or plants a tree, is more than all."

LI

NORTH ATLANTIC STEAMSHIP COMBINE

Every traveller to Europe, and every shipper of goods has seen a great increase in fares and freight rates in the last few years. The consistent uniformity of these increases has suggested that some sort of centralized control must be in the background, instead of the free competition existing at one time. There is a general idea in the public mind that the term "North Atlantic Steamship Combine" is not quite an abstract term, nor the title of a fairy story; but the public do not realize that it may be a matter of some difficulty to prove the actual existence of a Combine, as such, even when one knows it is there, like relativity!

In February, 1924, I was instructed by Mr. Mackenzie King's Government to make inquiries into the rates of freightage and the passenger rates on the North Atlantic Steamship Lines. The rates had increased from 150 per cent. to 600 per cent. between 1910 and 1924. These rates were fixed in New York; it was alleged, by a Combine. But my inquiries were to be made in Europe, as it was only through the European representatives that I could obtain information, and especially of the discrimination against this country which the Government had some reason to believe was being made. The Prime Minister was no stranger to the question, nor to its importance. It was one of the issues of the campaign of 1921; and he had publicly expressed his intention of dealing with the

matter of transportation rates, if he should be returned to power in that election. During the next two or three years it was frequently a subject of earnest discussion between us. I was satisfied that although the Combine (of whose existence I, at any rate, had no doubt) might be able to exert an appreciable influence in the House against any interference with its activities; yet, a majority of members would give their support, to a government scheme for remedying the existing conditions. My only warning to the Cabinet was, "Don't start unless you are going to see it through."

It may be remembered that there had been a previous Enquiry in 1913, under the administration of Sir Robert Borden, and that an offer was made to Sir Henry Drayton (who represented the government at the time), for a steamship service which would break the monopoly in the North Atlantic, and force a reduction of the rates on Canadian products. Less as an outcome of this Enquiry, than as a side issue of the War, owing to the sinking of ships by the German submarines, a Canadian merchant fleet had come into being. The ships had been built in a hurry (at about $200 per ton) under War-conditions, which meant that neither speed nor economy in running had been taken into special consideration. Their speed of five to eight knots an hour might or might not be affected by a coal-consumption of some forty tons of coal per day; yet, these golden argosies ran, or rather crawled, about the seven seas in great affectation of pushing Canadian goods all over the world. As a matter of plain fact they had to move to prevent deterioration in dock; and a capital expenditure of two hundred million dollars had to have some pretence of justifying itself. Although the fleet was supposed to be under the control of the government, it was

really included in the management of the Canadian National Railway. More amazing yet, its management had come under the influence of the Combine, declining to quote lower rates for transport than those established by the Combine. Adding insult to injury the annual deficit on the fleet, (Heaven save the mark!) ran up to $10,000,000, and nobody seemed to care. It can be readily understood now, how far the Canadian Mercantile Marine was from fulfilling the necessities of the hour. Its management was satisfied with the crumbs falling from the rich man's table, while exorbitant freight rates ground out of Canadian producers furnished Gargantuan feasts for the Atlantic Combine.

It was obvious that my enquiries would have to be undertaken with discretion and with as little publicity as could be managed. Yet, as showing how elaborate was the Combine's system of surveillance, and to what a degree it had sources of information within Parliament, and even in the inner circle of government, I was very soon made aware that I was being carefully shadowed, and that my inquiries were being systematically noted. For example, I had not been in Vienna two hours, before instructions were received by wire that it should be noted with whom I had interviews, and that information of my movements should be telegraphed to the C.P.R. in London, with all possible particulars of such, as well as the names of those with whom I conferred. It can be understood that a Combine is always watchful, lest there should come about any interference with its peculiar methods, and that it has means of dealing with its opponents which have nothing to learn from the punitive systems of the most reactionary autocracies. Yet, by August, notwithstanding these efforts to baulk my purpose, I

was able to report informally, but positively, to the government:—

1. That a Combine, as such, existed.
2. That rates from North American to British and European ports were fixed by representatives of the Combine, usually meeting in New York.
3. That these rates frequently discriminated against Canadian ports.
4. That rates were higher upon certain Canadian products shipped to Great Britain, than similar goods from the United States to the same ports.
5. That rates upon Canadian goods to Great Britain were higher than to Continental ports.
6. That Canadian products could be shipped to Continental ports and re-shipped to Great Britain at lower rates than for direct shipments from Canada.
7. That rates were higher between Canada and Great Britain with a mileage of 3,250 miles, than between Canada and South Africa, where the distance was 7,000 miles.
8. That rates for emigrants had increased since pre-Conference time, from $17.50 to $95.00, per person.
9. That the rates for emigrants from Europe to South America, a distance of 7,000 miles, were lower than from Great Britain or the Continent to Canada, less than half the mileage.
10. That the rate on Canadian cattle had increased from a pre-War rate of $7.50 to the rate in operation at present (1924), $20 to $25.

A careful computation of the emigrant rates inaugurated under the Combine between 1900 and 1914, compared with the pre-Conference rates, showed that the excess charges paid by emigrants to Canada during that period amounted to twenty million dollars. The aggregate of the excess rates charged by the Combine over and above pre-War rates, and paid by immigrants

into Canada between 1919 and the latest figures then available (1924), amounted to more than twenty million dollars.

The conclusion of my Report read:—

"There is little doubt that a remedy must be found to present conditions, if Canada is to maintain its place as a prosperous nation.

"It is obvious that the solution of the problem must be on a basis which will preserve, for the Canadian people, a more reasonable share of the wealth which is developed from the natural resources of the country by the industry and labour of the people of the Dominion.

"Only by the coming into operation of some such policy as this, will Canadians enjoy the result of their labours, and their natural right to free and untrammelled access to the markets of the world.

"This cannot be regarded as possible so long as the great ocean highways of the world, which ought to be free and unrestricted to Canadian trade and commerce, are held for extortionate tolls by steamship combines and conferences.

"The moving spirits of this gigantic world-wide maritime organization have conspired, combined, agreed and arranged to unduly limit the facilities for ocean transportation. They are preventing, limiting and lessening competition in ocean transportation to and from Canadian ports.

"By the exercise of this power and the undue and abusive lessening of competition in ocean freight rates, they are causing serious oppression to individuals, and incalculable injury to the general public.

"The North Atlantic Combine is an obvious menace to the natural development of the export trade of the country, and an evident deterrent to the prosperity and welfare of the population of the Dominion."

When the position had been shown up sufficiently clear, to justify submitting a proposition to the government, whereby the Combine would meet competition on the Atlantic route, I wrote to the Prime Minister, briefly summarizing the facts I had collected, and giving the outline of what I had in mind, by which I hoped the disabilities under which Canada was suffering might be overcome. To this Mr. Mackenzie King replied in very encouraging terms, referring to the "great expectations" which the information in my letter had given rise to, and which would be "a signal achievement" upon my part, should success follow on the lines of what was suggested.

During my emigration work in Great Britain, I had frequently come into contact with Sir William Peterson. I knew he had stood out against the North Atlantic Combine, and had more than once tried conclusions with it. The Combine had used its utmost influence to damage Sir William's business, trying to eliminate him not only from the Atlantic routes, but from other parts of the world as well. I knew the man. I knew his Viking courage. I had seen something of his great ability and power of fighting against odds. As soon as a certain point in my inquiry had been reached, I was convinced that Sir William was the only one to whom this country could look for help against the strangling operations of the Combine. After several interviews, in which the character of a possible steamship service to be run in opposition to the Combine was carefully discussed, I reported to Hon. Thomas Low, Minister of Trade and Commerce. It was decided that Mr. Low should come to London to confer with Sir William. A general basis of negotiation having been settled between them, Mr. Low returned to Ottawa to consult with the government. Eventu-

ally Sir William was cabled to come to Ottawa, arriving in October, 1924.

Not more than three or four outside of the Cabinet knew anything of the consultations and negotiations which followed. Even newspaper correspondents, usually so keen of scent, did not guess that a matter was under discussion which would likely arouse the interest, and engage the attention of the commercial and shipping world within a few months. Negotiations were very slow, necessarily. There were many difficult points to be dealt with. It added to the difficulty that the Cabinet was not quite united on the question. While from London banks and the most influential financial circles, confidential reports were received, that Sir William Peterson was in a position to carry out any contract, no matter how large, which he might enter into with the Canadian government, there were those who for the pettiest personal reasons, and for others even less creditable, were set on "putting a spoke in the wheel." Mr. Low, the Minister of Trade and Commerce, while recommending that action be taken against the operations of the Combine, took occasion to warn the government that "If the proposed new line is started, it will put the C.P.R. out of business." It also became increasingly evident that the government would have to combat every insidious influence that the Combine could bring to bear, and must be prepared to face a furious onslaught from all the interests engaged. So full of difficulties was the whole question, from the case of the Canadian Mercantile Marine, which would have to be brought into line with the suggested government scheme, to the subsidy which would have to be paid by the government to keep an opposition steamship line from being ruined by the Combine; so extremely serious were the problems

and possibilities which had to be faced by both parties to the contract, that the breaking-point in negotiations was reached more than once.

There is no occasion now to go into all the complications which stood in the way. Eventually the basis of an agreement was arrived at. Mr. Eugene Lafleur, probably the most brilliant legal expert in the country, was called in for consultation by the government and entrusted with the drafting of the agreement between itself and Sir William. Even at the last minute there were difficulties which were only solved on the personal initiation of the Prime Minister himself. The contract was finally completed on December 11th, the government giving Sir William the assurance, that within two weeks of the opening of the next session, the contract would be brought forward for ratification by Parliament. In the meantime, so anxious was Sir William to bring his arrangements into effect, that before he sailed for England, he had entered into contracts by cable with British shipbuilders, and incurred obligations amounting to more than a million sterling. His contract with the Canadian government provided for an anti-Combine ocean service between Great Britain and Canada, on the basis of an annual subsidy for ten years of £275,000 ($1,375,000). The government was to have absolute control of the rates and of the vessels. Sir William consented to a proposed reduction of from one-quarter to one-half of the then existing rates. There were, of course, the usual penalties in the contract for non-observance of the covenants provided therein.

In all the weeks of the negotiations with Sir William nothing definite had leaked out as to what was afoot. But certain interested parties guessed what a report

from me might portend. At one period when difficulties seemed to be almost insurmountable, it was suggested to me by one who was supposed to be in close touch with the Cabinet, that I should not send in any formal report to the government on the question of the Combine. My reply was perhaps more forcible than polite:—"My report is going in, unless I am officially instructed by the Cabinet that my Commission of Enquiry is cancelled. Don't imagine that the responsibility for any failure in this is going to be laid on my shoulders. If there is not to be success as the result of my labour, it shall not be laid upon me." In December the Prime Minister was due to speak at an important meeting in Toronto. His speech was communicated to the Press some hours before the meeting. Later that afternoon, a letter of the most serious import reached him, from an influential associate of the Combine, the writer intimating that he had learned of the government's intentions in regard to a contract which would result in a competition with the Atlantic Steamship Combine, and expressing strong disapproval of the suggested government policy. This letter roused Mr. Mackenzie King, in the course of his speech, to the unprepared remark that "the government intends to deal with the Atlantic Steamship Combine." Although only one of the reporters present grasped the fact that this statement was not in the manuscript already given to the Press, the immense significance of these few words was quickly appreciated by the audience, and was greeted with loud and prolonged applause. After the meeting, the Prime Minister told me why he "had let the cat out of the bag." From that, until the publication of my report, speculation was rife.

I was not in Canada when it was presented to the House of Commons, as I had been deputed to go to London to discuss various matters in connection with the contract with Sir William Petersen. The cabled dispatches summarizing the report which were published in the British press created very general interest in England. There were editorials in all the leading papers criticizing the report from the standpoint of the British interests involved, for the most part; but in which I, too, came in for a certain amount of attention, as was inevitable. The Liverpool shipping interests became rather vociferous, in that it was inferred that I was trying to destroy the British Mercantile Marine. Verily, the path of him who would right a wrong is beset with ravenous beasts! In Canada, when the policy of the government was announced, the shipping interests put on their war-paint, took tomahawk in hand, and went on the warpath. A high official of the C.P.R. left word with the deputy of a Minister, whom he failed to see, to the effect that "*The C.P.R. will defeat any government daring to touch the steamship Combine, and will ruin every person connected with the anti-Combine propositions.*" When Parliament met, the fight was on—with mining and assault. All the sinister influences of Capitalism, of which this volume is an all-too-inadequate record, the bribery, the lobbying, the threats, were in full activity.

In discussing the matter in the House, the Prime Minister emphasized the intention of the government to ask the House to refer the Report, and the Contract of which it was the outcome, to a Special Committee, which should be empowered to subpoena persons and documents, going fully into all phases of the question, and taking evidence on oath. He said, positively, that while he was willing to stake the future of his

government on its avowed policy of destroying the Combine which he believed was throttling the development of the Dominion, yet, considering the interests at stake, he thought it advisable to bring all the facts to the knowledge of the people of Canada, in a way which would only be possible with a Special Committee. Mr. Mackenzie King has been accused of a desire to shelve the question, finding what a furious hornets' nest had been stirred up against his government by his policy, and losing courage at the prospect of the fight. That is, I maintain, an ungrateful and ungracious attitude to take. Considering the interests involved, I freely submit that he was justified in his feeling, that more than a decision of the Cabinet was necessary in what was seen would be a battle royal, a fight to the death, with all the forces of a powerful corporation with world-wide ramifications, arrayed against his government. He was justified in believing that he should have the support of Parliament, Press and country behind him. He probably felt this to be all the more necessary, because of the adverse criticism emanating from the Progressives, who, above all others in the House, might have been expected to give the matter sympathetic consideration as their own constituents were the especial victims of the Combine.

The Committee was appointed. The Prime Minister asked Mr. Andrew MacMaster, M.P. for Brome, to be Chairman of it. He assured Mr. MacMaster of his anxiety to have the Contract with Sir William Petersen ratified. He expressed the belief that the evidence which would be elicited by the Commission would confirm everything in my report and would strengthen the government policy for the necessity of a government subsidized steamship service. The necessity of breaking the monopoly on the ocean routes

which was adversely affecting Canadian trade was, he pointed out, only too evident. Mr. MacMaster accepted the Chairmanship with full knowledge of the government policy and intentions. He had been Chairman of a Standing Committee in the two previous sessions of the House which had gone out of its way, under his direction, to make investigations into the doings of the North Atlantic Combine, and which had already submitted to Parliament a very strongly worded report. In this the Combine was strongly condemned and the government was recommended to take proceedings against it. Mr. MacMaster had written and signed this report. The Prime Minister acted in the belief that Mr. MacMaster's personal conviction was in line with the findings of the Committee over which he had presided. Besides, there is an unwritten law in Parliament, that the Chairman of a Committee is in accord with the government which appoints him.

In the meantime the Opposition, through Mr. Meighen, insisted that there was no Combine; that, like Sairy Gamp's friend, "There warn't no sich person." To sustain this contention (though the logic of it may not be apparent), very bitter personal attacks were made upon me. Mr. Meighen asserted that the report was unreliable; that it lacked the true judicial tone; that the extreme views of the author were only too evident, and the language ill-suited to an official document. Much more to this effect was set forth with due gravity. "Oh, righteous judge!" Mr. Crerar, the representative of the Grain Growers' Association in Parliament, unctiously hinted that he was opposed to touching the question at all. Another who expressed himself as being in doubt as to the existence of the Combine was the leader of the Progressives,

Mr. Robert Forke; and "anyway, the Progressives were opposed on principle to the payment of subsidies." In the face of such complacent innocence, one hesitates to ask, what about the millions annually voted by the Progressives toward the deficit on the Combine-managed Canadian Mercantile Fleet? What is a reasonable person to say to those legislators, who would strain at a subsidy of an odd million a year for controlled rates, yet swallow a camel of ten millions without any control whatever!

The Committee proceeded to take evidence, to this accompaniment of sniping. The report for which I was responsible was continually under fire, though it was vindicated in every particular by sworn testimony. In no single instance was any statement of fact controverted. My figures as to rates were corroborated by the schedule which the companies had to file before the Committee. The counsel of the Combine demanded of me that I should give the names of those from whom I had received certain vital information, embodied in the report. This I refused, though directed by the Chairman to answer the question, knowing the serious trouble it would bring on men who had trusted me. Evidence was given by the Manufacturers' Association that the high freight rates were a subject of frequent complaint by intending exporters. Mr. Alexander, of Bowmanville, produced documents showing an increase in the rates demanded for handling his products, of 600 per cent., since pre-Conference times. The Massey-Harris firm explained that the increase in freightage had so seriously affected their export trade, that they had been forced to open a factory in Batavia, New York, to get the benefit of the better rates available there. Fruit and cattle dealers gave similar testimony. All proving beyond

the possibility of denial, the injury being done to Canadian trade by the operations of the Combine. The evidence given by Sir William Petersen himself was the sensation of the hour. Coming to the session of the Committee directly after dinner, his punctilious attire, his fine manly figure, and the open countenance so loved by his friends, commanded attention from the moment of taking his seat. Briefly explaining that the proposed Contract was for the purpose of entering into a conflict with the Combine, he laid before the Committee his calculations as to the difficulties of the venture; particulars of the ships he proposed to build for the purpose, their speed, carrying capacity, cost of running and maintenance, and the enlargements which might become necessary as time went on. He explained his intention to reduce the freight rates from one-quarter to one-half, and his definite conviction that he would be able to attain his object, of breaking the Combine, by a general reduction of all Atlantic freights. He proved that the amount of the subsidy under the Contract was not excessive, as the government would have absolute control of the rates to be charged. His figures showed how every phase of industrial and agricultural life in Canada would benefit by the proposed new steamship line, farmers and fruit growers, butter and cheese makers, and cattle raisers, exporters of bacon and dead meat, and also manufacturers who were hoping for an expansion of overseas trade. In answer to the denial of the Combine, that certain emigration rates given in my Report had ever been in operation, he confirmed my Report by stating that when the Conference rates from Great Britain and the Continent to this side of the Atlantic were £5 10*s.*, his ships had carried thousands of immigrants to Canada and the United States for £3 10*s.*, in contrast to the present Combine rate of $95.

On the Committee which listened to this evidence was Mr. Black, M.P. for Halifax, the ships of whose company had been under seizure in the United States for the systematic smuggling of liquor across the border. Another member of the Committee and special pleader for the Combine, was H. H. Stevens, M.P. for Vancouver, who had been distinguishing himself by inducing Canadians to invest in bogus oil propositions for a Chicago gang of fraudulent brokers, circularizing these confiding investors on notepaper which had the House of Commons crest upon it. Hundreds of thousands of dollars had been lost in Canada by this means. At every meeting of the Committee the Combine marshalled its forces, to the tune of fifteen to twenty lawyers, officials, "experts," shippers and lobbyists. A lobby unparalleled in Canada was carried on to subvert and defeat the government policy. The chief director of this lobby was Lt.-Col. A. T. Thompson, who openly boasted that he had been the means of preventing the enaction of legislation favoured by the Prime Minister and other Ministers. A member's room was secured in which weak-kneed members were invited to drink whiskey, or to accept more substantial inducements, if they would, to vote for the Combine, and kill the government scheme. One member priced his services at $10,000. He was quite open about it, not at all shy.

The Report of the Committee was presented to the House on the afternoon of Friday, June 11th. What was the astonishment of the Liberal members of the Committee, what was the indignation of the government, to find that Mr. MacMaster had become an avowed opponent of the government's policy! From the formation of the Committee, it had evidently been his intention to oppose the government proposals. It

is doubtful whether there was ever such an instance of treachery and betrayal of confidence during the whole history of the Canadian Parliament. Mr. MacMaster did everything in his power to prevent the Committee from reporting favourably on the government policy. He tried in every way to prevent immediate action being taken. He endeavoured to justify himself by claiming that he was opposed to steamship subsidies, even in a cause opposed to the Combine. His inconsistency is emphasized by his having voted millions of dollars for steamship subsidies during the years that he had been a member of the House of Commons, with no provision whatever for government control such as was guaranteed by the contract with Sir William Petersen.

Sir William Petersen was in the gallery of the House when the Report was read. At 4.20 he walked down to the Chateau Laurier, where he had been staying. At a quarter to five he and I went downstairs in order to go to the Prime Minister's office, where he had an appointment to complete a slight final amendment to the Contract. He complained of a pain in his chest and I persuaded him to return to his room. I gave him a stimulant and 'phoned for a doctor. While his valet was applying a hot application to his chest, I kept my finger on his pulse, which seemed strong and regular. But suddenly his head fell back. Life was extinct. And with that vital spark went out one of the most courageous and splendid souls I have ever known. His death was a tragedy. It was a calamity to Canada. No greater misfortune could have happened to the country at that moment. He, and he alone, had the ability and courage to successfully oppose the Combine which was throttling the country and living like a vampire upon its vitality.

Canada was to have been rescued from a group of marine pirates. In an instant, all hopes were blasted. This life, of such untold value to Canada, was at an end.

And, the immediate cause of this calamity? The worry and anxiety of the long drawn out proceedings of the Committee had affected his heart. He had incurred very heavy liabilities on the signing of the Contract. He knew he would have to face the most unscrupulous opposition, in Parliament and out, from those whom he would fain have helped, as much to their advantage as to his. He could endure no more.

The Contract had not been transferred to the Company which Sir William was in the process of forming. Hence, with his death it was null and void. His death had enabled the Combine to win. Their lobby cost over $800,000. They subscribed $500,000 to the Conservative Party fund for the elections which shortly followed. They were sufficiently influential to control the Liberal organization in Ontario to such a degree that there was no discussion of the Combine on the platform in that province. Although the Prime Minister was assuring electors in the West that the fight with the Combine was not yet over, although he stated his determination to continue the fight to the end, yet the Combine had the whip-hand to such an extent that the shipping rates were increased by 25 per cent., with another increase shortly afterwards. Of course, it is obvious that all this lobbying had to be paid for. But what about those who sold their birthright for a mess of pottage?

LII

NEARING THE BREAKERS

During the Parliament, 1921-5, important changes took place in the Cabinet. The new Ministers were E. J. McMurray, K.C., Winnipeg, Solicitor-General (1923); E. M. Macdonald, K.S., Pictou, Militia and Defense (1923),; P. J. A. Cardin, K.C., Montreal, Marine and Fisheries (1924); G. N. Gordon, K.C., Peterboro, Immigration (1925); G. H. Bovin, K.C., Customs (1925); H. B. McGivern, K.C., Ottawa; H. H. Marler, K.C., Montreal; Vincent Massey, Toronto, without portfolios.

The sessions from 1921 to 1925 cannot have been very satisfactory to the Mackenzie King government. Every genuine vote of confidence was sustained by majorities of from two to double figures, but the government was in continual danger. The temporary absence from the House of but two or three supporters threw the Whips into a panic. There were a certain number of Progressives who obviously had no desire to see the government out, and the Opposition in; but who apparently took a childish delight in making their votes an unknown quantity, and something which could not be reckoned on. In a House in which there were several of that peculiar temperament, it is scarcely a matter for surprise that the harassed government raised the white flag whenever their proposed legislation was criticized with even moderate severity. Four sessions of uncertainty were enough, so when the session of 1925 came to an end, it was understood that another general election would take place.

The government proceeded to do exactly as Alexander Mackenzie had done in 1878, totally oblivious of the danger of procrastination. Even when dissolution was finally announced, the government forces were not organized, although the Opposition had been addressing meetings all over the country for weeks, without any reply being made. No administration had ever appealed to the electors with its house in less order. There were far too many three-cornered elections, particularly in constituencies where either a Liberal or a Progressive candidate might be elected, but where for both to run meant the certain election of a Conservative. Treachery was rife in at least the Post Office department. The allowances to country postmasters are revised annually on the basis of receipts. Just prior to the election of 1921, the official in charge of this branch sent out the notices of increases before polling day. The notices of reductions were sent out after the Liberals were returned to power. Previous to the elections of 1925 the allowances to country postmasters were revised drastically and dishonestly. Ten days before polling notices of reductions were sent to postmasters, arousing intense indignation and opposition to the Mackenzie King government everywhere. It was not until Hon. Mr. Venoit took charge of the department that the official who had engineered this scandal was removed from the public service.

The election was disastrous for the government in Ontario. Five Cabinet Ministers went down to defeat —the Prime Minister, Hon. G. P. Graham, Hon. Thos. A. Low, Hon. G. N. Gordon and Hon. Vincent Massey. The defeat of the last named was not a surprise. Whether the others might have been elected may be a question. That the steamship Combine got

after Cabinet Ministers no doubt exists. But for some unexplainable reason no explanation of the action of the Cabinet in an attempt to fight the Atlantic Combine was allowed to be made in Ontario. Liberal candidates complained that they were prevented from discussing the question, or even from repeating what the Prime Minister was saying on the subject in the West. The public at times may be slow to grasp the significance of a political policy, but the man on the street is not slow in understanding whether a candidate or a Party is frank, candid and courageous, or simply "Pussyfooting." The public has no place for a "Pussyfooter." From opinions expressed by the rank and file of both great political parties, I am satisfied that if the Liberal organization in Ontario had been loyal to the declared policy of the Prime Minister on this question, the results in Ontario would have been much more satisfactory. Literature which had been prepared on the question of the Atlantic Combine was destroyed at Liberal headquarters. Requests for the services at public meetings of one who had been very prominent in the agitation against the Combine were refused by the Central organization. This spirit of envy or jealousy or worse dominated the party organization at the election.

Mr. Meighen was found to have the largest group of supporters, though short by six or eight of the number necessary to control the House. Looking back now, one can only be surprised at the meagre result of the election from Mr. Meighen's point of view. He had buried the hatchet with Mr. "Bob" Rogers, thus releasing a huge sum of money which had been set aside for party purposes out of the campaign subscription that was secured in connection with the acquirement of the Canadian Northern and Grand

Trunk Railways. Great St. James Street magnates had also contributed liberally upon well-defined expectations of adequate return when Mr. Meighen should come into power. The North Atlantic Steamship Combine, too, had come up to the scratch most munificently. There were certainly four or five millions of dollars at the disposal of the Conservative organization. The Liberals, on the contrary, had not sufficient funds to meet the most necessary expenses of the campaign.

The Party reverses in Ontario gave rise to rumours that the Prime Minister might possibly consider his position as Leader insecure, if it became evident that he could not command the support of his own Province. If "Nothing succeeds like success," *a priori*, "Nothing fails like failure," Ottawa buzzed with the likelihood of the Prime Minister's retirement to private life. A prominent Cabinet Minister, evidently inoculated with the new idea, took me by the arm walking towards his office in Ottawa a few days after the election, said, without any reservation, "How can we keep a solid Quebec for a Leader who cannot carry his own English Province? It can't be done." Every man with a personal grievance seemed to join in the cry. Going to the Prime Minister, I asked him if he had heard anything about this matter, without mentioning the names of any of those who were talking. Mr. King's reply was exactly what might be expected: "The first evidence I see of that, my retirement will be immediate." The announcement a few days later that the government would meet Parliament and claim the confidence of the House, put the quietus on all suggestions of the Prime Minister's retirement to private life.

But—the election had been too close for safety! The earlier returns tended to indicate that the Liberal

administration had been defeated, though Mr. Meighen's majority would not be more than one or two. By noon of the day after the election, Mr. Mackenzie King announced his intention of handing in his resignation to the Governor-General. As the day wore on, certain returns were corrected, Mr. Meighen's supporters being reduced and Mr. Mackenzie King's increased. The Prime Minister was pressed to withhold his resignation until the later returns of the election became available. The final figures gave the composition of the new House of Commons to be: Conservatives, 116; Liberals, 101; Progressives, 25; Labour, 2; Independents, 1. By then it was evident that Mr. Meighen could not have a majority in the House, as every member not definitely ranked as a Conservative was publicly pledged against his party. The Prime Minister then advised His Excellency that the Liberal administration should remain in office, pending the meeting of Parliament, which should be called at the earliest possible date following the return of the Writs; and that in the meantime only necessary routine business should be transacted. This was promptly assented to by the Governor-General as the only and proper course to be pursued under the peculiar circumstances. The Prime Minister had gone to the country with 117 supporters in the House. He came out of the contest with only 101.

The Prime Minister made public announcement of the intention of his government to allow Parliament to decide whether he should remain in office or not. The Tory press vociferously demanded that he should resign, claiming that as Mr. Meighen controlled the largest group in the House, although he did not have a majority, he should have the privilege of forming a

government. The situation was still further complicated by the fact that the Prime Minister himself had been defeated and was without a seat in the House. The fateful day of the opening of Parliament arrived. The Minister of Justice, on behalf of the government, moved the election of Hon. Rudolphe Lemieux as Speaker of the House. The Governor-General delivered his Speech from the Throne, and the ship of state was duly launched upon what promised to be all too stormy a sea.

Then a tactical mistake of the first order was made by the Cabinet, the introduction of a formal resolution of confidence in the government. The Liberal members of the new House had discussed in caucus that morning the question whether, as the government was actually in office, the attack upon its position should be made from the outside—not, so to speak, invited by the Cabinet. It was as if a bombshell had been thrown into every group in the House. The reading of the resolution was followed by a tension in the atmosphere of the House which could have been cut with a knife. It was an invitation to disaster, and even a casual observer could feel wireless messages emanating from the non-party group, "Vote confidence in the government? Not much!" Then, amidst a deathly silence, Mr. Meighen rose. He formally objected to the resolution, because the necessary notice had not been placed on the Order Paper. The Speaker promptly decided that the objection was well taken, and that the resolution should stand as notice. Thus was the Cabinet's blunder capped by Mr. Meighen's. The government had everything to lose, the Opposition everything to gain, by pressing that resolution. Had the vote been taken, from ten to twenty of the non-party group would have voted

against the government and Mr. Meighen would have been in office the next day. The fates had been kind. No effort was made to bring forward the resolution again. And when the Opposition tried to retrieve their mistake by moving a resolution of non-confidence in the government, and inferentially expressive of confidence in the Opposition, it was defeated by a majority of three. Hon. Ernest Lapointe, Minister of Justice, led the House with rare ability and skill, pending the election of the Prime Minister, who secured a seat in the House on account of a vacancy in Prince Albert, Saskatchewan. And the government continued to function.

In the meantime, urgent and scarcely concealed efforts were made by the Tories to detach certain Progressive members of the House from their lawful allegiance, and bring them into the Tory folds. Hon. Manning Doherty, once a member of Drury's U.F.O. Provincial Cabinet, took up quarters at Ottawa, and mingled persuasively amongst the Progressives, openly, in the interest of Meighen. Doherty was a gentleman farmer, and a contractor, and had benefited by extensive contracts in Borden's time. He had joined Drury's Cabinet because the latter was anxious to have a representative of the Irish Catholics in it. It is a debatable question to what degree Doherty had a hand in preventing Drury from doing the things he ought to have done, and advising him to do what he ought not to have done. But after Drury's downfall, Doherty returned to roost again with the Tories. He was only one of several who sought to woo the young (and presumably innocent) Progressive Party. Offices and emoluments were freely offered. At one time it was thought that seven Progressives were captured.

One of them told me that he was offered the Speakership of the House if he would support the Opposition. Yet the government continued to function.

Then came the Robb budget, and a triumph for the government. The budget announced a reduction in postal rates and the Income Tax, a re-arrangement in the Sales Tax, and an appreciable reduction in the tariff on automobiles. Interest in Parliament was kept keyed up continually to concert pitch by the importance of the matters brought up for consideration; the necessities of the National Railway, the Enquiry into alleged Customs irregularities. It was obvious, however, that the government could not be defeated while the final passage of legislation connected with the Robb budget was pending. And the government continued to function.

Historians in the future will speculate profoundly, however it could have happened at this time, that things ran along for months with no apparent difficulty on a nominal government majority of two votes, and sometimes even of one. If Meighen and his followers had been wise and honest they would have been in power in a month. It was because they were neither, that honest support was warned away from them, and the dishonestly won support ultimately wrecked both the Party and the Leader.

In a previous session, the Progressive Party had endeavoured to secure the enactment of legislation which would empower western farmers, when selling their grain, to choose its route and destination. The dealers claimed this privilege, and the farmers believed, rightly or wrongly, that the prevailing custom worked out to their disadvantage. The Conservative party had invariably opposed the proposed legislation, and every year the grain dealers had successfully lobbied

against it. The Liberals were in favour of it. Early in this session a small group of Progressives had interviewed the Prime Minister, and he promised the same support to the proposed measure which he had hitherto given. The Bill passed the House and it was sent on to the Senate.

The session was near its end. Early in the session, Hon. Hugh Guthrie had assured the Progressives, with the authority, as he stated, of Mr. Meighen, that in the event of the defeat of the government, there would not be another election. This was intended to allay the well understood fears of Progressives that if a want of confidence motion was passed, the Opposition would ask the Governor-General for a dissolution, and they would be forced to appeal to their constituents again. The government tariff legislation was complete. The administration had two or three close calls. Another vote on a government measure was to take place on June 27th. The Whips reported five or six Progressives as unlikely to give their support to the government in this matter. Enquiries elicited the information that certain representatives of the Opposition had intimated to these Progressives, who were known to be especially interested in and concerned for the passage of the Grain Bill, that the Tory support in the Senate for the Bill could only be obtained if they would vote against the government on the particular question then before the House. The Progressives wanted the Bill passed through the Senate. Therefore they intended to vote against the government which had consistently supported and carried the Bill through the House. This effort to induce members who had been elected as opponents of the leader of the Opposition to transfer their allegiance to the Conservative Party was a direct attack on the honour and

dignity of Parliament. It overshadowed in every way the minor question of confidence or non-confidence in the government. Under these circumstances the government refused to function any longer. The Prime Minister called on the Governor-General and recommended a dissolution of Parliament.

It is not known to what extent Mr. Mackenzie King apprised His Excellency of all the facts in connection with this underhanded attempt to undermine the government. On the face of the situation it may have appeared that the Cabinet wanted a dissolution to avoid a defeat. But the facts were known to a large circle. At any rate, the dissolution was advised. It was refused. The Governor-General summoned Mr. Meighen to Government House. Mr. Meighen promptly commandeered the Prime Minister's motor, and presented himself at Rideau Hall. He accepted the commission to form a government, and was immediately sworn in as Prime Minister, thus vacating his seat in the House.

At this point the comic opera begins. Mr. Meighen dared not appoint his Cabinet. He could not risk the necessary re-elections. So he "invited" several colleagues to accept seats in not "the," but "a" Cabinet, "without portfolios." The next day this wondrous Cabinet of brave warriors occupied the Treasury benches. Innocent of portfolio they proceeded to act for various departments in the public service. Under the good-natured leadership of Sir Henry Drayton, they asked the House to pass the uncompleted estimates of the out-going government. No wonder there was a howl of derision throughout the country. There was only one properly constituted member of the whole troupe, the Prime Minister himself. The rest had no existence, they were but shadows. As a

"Cabinet of Shadows" they will go down in history. Mr. Meighen had not kept his promise to Lord Byng, that he would form a government. But the "Shadow Cabinet" proceeded to pass Orders-in-Council, which could only be done, according to all precedents, by a quorum of three, yet there was but one, like the last of the little niggers in the nursery ditty. It transpired afterwards that the Governor-General had asked for an assurance from Mr. Forke that he would support Mr. Meighen's attempt to form a government, to insure the stability of such. But the position was too impossible to continue.

Hon. J. A. Robb, the Minister of Finance in Mr. Mackenzie King's administration, moved a resolution calling in question the constitutionalism of the whole situation. During the memorable debate which followed, Mr. Mackenzie King made one of the most cogent speeches ever delivered in the Canadian House of Commons, and one which will never be forgotten. It was extempore, and was thoroughly imbued with the heartfelt touch. He made the case so brilliantly clear, as being a violation of all precedent and absolutely unconstitutional, that on the vote being taken there was but one answer—the defeat of Mr. Meighen's pseudo-government, and his Klu Klux Klan of a "Shadow Cabinet." The defeat was followed by a vote of want of confidence. A third resolution was proposed, more direct than the others. The House then adjourned, "till three o'clock to-morrow." And that chapter was ended.

When the members appeared the next morning, they found the doors of the House locked. Rumours were flying about in the corridors that the Governor-General would prorogue Parliament that afternoon, preparatory to a dissolution of Parliament. Within

three days a new Prime Minister had taken office, and had been twice defeated in the House. Rid of an indignant Commons, Mr. Meighen determined that his government should function.

Dissolution being announced, Mr. Meighen began to set his house in order for the coming contest. A full Cabinet was formed, in which Mr. Patenaude from Quebec was the dominating influence. No suitor e'er wooed a maiden as did Mr. Meighen Quebec! He went out of his way to show deference to the Roman Catholic hieraracy. He had his son entered as a student of Laval. He made speeches in French, assuring his audiences how high was his regard, how deep was his sympathy for them. He took pains it should be known that he had refused deliberately to offer a portfolio to Dr. J. W. Edwards, because the latter was a Grand Master of the Orange Lodge Order, though every Tory Cabinet for sixty years past had included the official representative of the Order from Ontario. In more material ways, too, did Mr. Meighen show that he was no 'prentice hand in Tory election methods. In order to get possession of the election machinery, he caused to be dismissed all the permanent Returning Officers in the country, and appointed extreme Tory partizans. No influence that could be exercised, great or small, legal or illegal, was left unconsidered.

LIII

THE CONSTITUTIONAL CRISIS

Yet, for once, matters of personality were of minor account. One thing alone was worthy of consideration —the constitutional question that had been raised and stood out in bold relief beyond every other issue. Why should the Governor-General refuse a dissolution to Mr. Mackenzie King, a Prime Minister against whom no vote of want of confidence had been registered in the House of Commons; and then grant it to Mr. Meighen who had been defeated twice on a straight vote, and certainly would have been defeated again in the vote pending when the House adjourned. Mr. Meighen's duty was clear. It was laid down by a well-known British precedent. In 1873, Mr. Gladstone had been defeated in the House by an amendment to his Irish Educational Bill. He resigned, advising the Queen to call upon Mr. Disraeli to form a government. Mr. Disraeli declined to accept the responsibility of office on the ground that Mr. Gladstone's administration had been defeated by the Irish vote, upon the support of which he himself would be unable to count; and he advised Her Majesty to call again upon Mr. Gladstone, knowing that this must be followed by a dissolution of Parliament. Gladstone took office and was defeated at the polls. In no part of the British Empire for more than a century had the Crown refused the advice of its Prime Minister. Mr. Meighen could not be justified in advising the Governor-General to do for him what His Excellency had refused three days

previously to do for Mr. Mackenzie King. The action of the Governor-General was contrary to all established constitutional precedents. For the Sovereign's representative to do that which even the Sovereign would not, was an infringement on the rights of Parliament that could not be permitted.

Forgotten were Mr. Mackenzie King's unfulfilled promises. Forgotten were the scandals exposed in the Customs Enquiry, the responsibility for which necessarily fell upon the government of the day. Forgotten were all the shortcomings of his administration. The constitutional question involved in the Governor-General's action took precedence of all others, exciting the deepest interest all over the country. This was the case, not only amongst those who were competent to take an impersonal interest in a constitutional question, as such; but amongst those whose knowledge was limited, whose perceptions were vague, but whose feelings were deeply stirred by the mere suggestion of any interference with the hard won constitution of Canada.

For more than a century no British Government had asked for a dissolution from the Crown to be refused. Could this breach of Canadian autonomy by Lord Byng go unchallenged? The electors gave their answer through the ballot-boxes. *Never!* Fortunately for himself, Lord Byng was preparing to leave Canada before the elections, as his term of office had already expired; or, to put it mildly, an embarrassing situation might have arisen. He could scarcely have remained in his position of Governor-General in the face of such an adverse opinion in the country as was indicated by the results of the elections.

As a matter of fact, it was Mr. Meighen who had been the chief blunderer. Had he been less anxious to

get into power at any risk, his procedure would have been less indiscreet, and he would not have so laid himself open to the criticism of conniving at unconstitutionalism. He was far more to blame than the Governor-General. Lord Byng was a soldier; Meighen was a lawyer and a politician with more knowledge of the implications of his action than the former could possibly have had. Had he declined to form a Cabinet, advising the Governor-General to call on Mackenzie King again, and grant the latter the dissolution he advised, there is every reason to believe that the Liberal Party would have been defeated at the election following; perhaps to be out of office for many years. Instead of which, as the result of the election, Meighen was the one obliged to resign the leadership of his party.

The spectacle of Mr. Meighen's rise and fall in Canadian political life provides food for reflection. He was able and brilliant but did not bring to his task the right qualities. When Sir Robert Borden dropped out of the leadership of the Tory party, leaving Mr. Meighen to pick up the pieces, he was undoubtedly in a very difficult position, yet he was not without some opportunity, both of making good and rehabilitating his party, had he been capable of it. Sir Charles Tupper was in a worse position twenty-five years before, and had put up a fight which at least left his memory respected. But Mr. Meighen had no eyes to see, no ears to hear, no heart to understand. His one idea seems to have been that to parade the musty shroud of Sir John A. Macdonald, might induce some to the belief that he had inherited the old chieftain's mantle. It was a vain hope! His inconsistencies were too glaringly apparent.

In 1911 he demanded from the Liberal government the immediate reduction in the duty on agricultural

implements, as being necessary to save the farmer from extinction. Some years later, when such a measure was proposed, he fought it tooth and nail. In 1913 he insisted that the Conservative government of the day should at all costs depose the North Atlantic Steamship Combine. Within six months, as a member of that government, he refused even to discuss an offer made to Sir Henry Drayton for a competitive anti-Combine line; and later, fought with singular bitterness, another government proposal for an anti-Combine line, his Party, meanwhile, accepting a huge contribution from the Combine for election purposes. At one time he wanted Canadian troops to be dispatched to Turkey, with the slogan, "Ready, aye, Ready," and this, without the consent of Parliament. Within six months, bowing to the prejudices of his Quebec followers, he declared that no Canadian troops should be sent overseas without a plebicite. This is he, who dared to accuse Sir Wilfrid Laurier of maintaining the same principle in 1917. Could inconsistency be more gross! And he, who used protest, to the point of getting in a passion, against the Liberal government for appointing Liberals to office and emoluments, extracted from the public purse for his own services $175,000, exclusive of the cost of his luxurious trips to England, and when he went out of office in 1921 left unpaid a large account for private printing at the government printing office.

Mr. Meighen was an absolute stranger to the more gracious side of public life. His idea of oratory was invective and destructive criticism. When there was nothing in sight to go forth and slay, he missed fire as a speaker. Once in London when he was given a friendly and unofficial banquet, and introduced by Mr. Asquith (Lord Oxford) as chairman, in the happy,

gracious style which is so delightful a feature of English public life, the failure of the Dominion Premier to rise to the amenities of the occasion was such that his reputation never recovered from the exhibition he then made. On his arrival at Liverpool he had given an interview to the press, in which his tactlessness was still further emphasized. The interview was by way of demanding the immediate abrogation of the Anglo-Japanese Treaty, simply in order to curry favour with the anti-Japanese sentiment in a certain section of British Columbia as an election dodge. He did not get the snubbing he deserved on this occasion, with the result that British prestige suffered in Japan, when the news of the interview reached the Japanese newspapers. He had an unpleasant trick in the House, if he saw a political opponent in the Gallery, of making a personal attack—which could not be answered. When he had occasion to speak a few words on the sudden death of a colleague in the House, his manner had the effect of driving an extra nail in the coffin. Yet his speeches had weight with his followers. Their gall and wormwood expressed the degree of bitterness in political life in Canada in his time; and, indeed, helped to accentuate that bitterness. It was the mould in which he was run. Perhaps he could not help it. But it is doubtful if anyone prominent in the political life of this country has left so few pleasant and kindly memories behind him. If he had any feeling of kindness or sympathy, or good-fellowship, he wrapped it in a napkin, and hid it under a bushel. As a legislator, the two measures he left behind him may be models of brilliancy and astuteness for the purposes for which they were designed. One, the Military Service Act, put him out of Quebec; as to the other, the Military Voters' Act, largely drawn up

by himself. If he wants the sole credit for these, nobody will rob him!

* * * *

To show how much more important the government is in the British scheme of things than even the Sovereign, an instance will be given of the submission of the Crown to popular government (one hitherto unpublished in Canada) in a question which arose between Her Majesty Queen Victoria and Mr. Gladstone, near the end of his political career (1891). His Cabinet had adopted the final draft of the Address from the Throne, to be presented to Parliament two days hence. Sir William Harcourt, with two or three colleagues, proceeded to Osborne, where the Queen was then in residence, and delivered the Speech to Her Majesty's Secretary for the Queen's signature. The Secretary reported that Her Majesty refused to sign the Address unless a certain clause was deleted. Sir William explained that the Address had been finally approved by the Cabinet and that he had no authority to change or amend the wording. Mr. Gladstone was communicated with at once (by cipher-telegram), but negotiations continued with Her Majesty through the medium of her Secretary. An amendment in the Queen's own handwriting was submitted to Sir William Harcourt. He declined to accept it. The Secretary confidentially explained that Her Majesty also was adamant. Late in the afternoon a reply came from Mr. Gladstone stating that as the Cabinet had adopted the Address it could not be amended. Followed a meeting of the Privy Council, at which were present certain members of the Royal family, the Queen appended her signature to the objectionable document. Then Her Majesty took

leave of the Cabinet representatives with merely the most formal courtesies.

There was a later case, involving at the moment a possibility of far-reaching consequences. His Majesty, King Edward VII, took objection to a speech by John Burns, a member of Sir Henry Campbell-Bannerman's Cabinet, whose explanation was not altogether to His Majesty's satisfaction. Also, Lloyd George made a virulent attack on the House of Lords and the hereditary principle generally, for standing in the way of certain Liberal legislation. This was in his salad days. The King was annoyed that any adviser of his should indulge in such language against the Upper Chamber. He sent a letter which was practically an intimation that the services of the offender should be dispensed with. But the stormy little petrel from Wales remained in office. It may be regarded as a remarkable development in the whirl-i-gig of time that the Empire turned to him in the hour of her greatest need, and that Lloyd George was the outstanding character in Great Britain during the most critical period of the Great War; and that during his regime more appointments were made to the "hereditary" chamber than by any of his predecessors in office.

It is a comment on the solidity of English institutions, and the nobility of our Royal House, that the end of the War which laid four empires in the dust, with the rulers of three in exile or murdered, saw the House of Windsor, most happily re-named, more strongly enthroned than ever before in the hearts of all the peoples and races in the great British Empire.

LIV

BACK AT THE HELM

Every General Election, like a typhoon, leaves wrecks all along the beach. Never were there such wrecks as in the election of 1926. Among the more or less conspicuous disappearances in the storm was W. F. McLean, the "Father of the House," the last long remaining link with the days of Sir John A. Macdonald. Others, too, of less repute, had gone. One such, of "Wine, Women and Song" notoriety, was left to sing his swan-song on the banks of the Miramichi. Another, whose animadversions of the Civil Service had roused some indignation, was given leisure to seek out more unprotected timber belonging to the Provincial government. Another was evidently considered to be better employed by his constituents in trying to find the unaccountably mislaid vouchers for the $79,000 for the horses bought for the War Office during the War. Still more serious was the Prime Minister's defeat in his own constituency, to be followed by the wreck of his hopes as the Leader of his party.

Salome-like, Mr. Meighen had danced before Church and State in Quebec, clad somewhat exiguously as to policy, but vociferous and strident in demanding Mr. Mackenzie King's head on a charger. 'Twas all to no purpose. He offered hostages to prove his admiration for, and his ardent belief in everything French and Catholic. 'Twas to no purpose. He ousted the representatives of the Orange Order from their long-held position in the Ottawa Cabinet, John Wesley Edwards and Horatio Hocken being cast into

outer darkness. But all to no purpose. Quebec would have none of Meighen; 1911 might have been forgotten, but 1917 could not be. The East turned him down. The West would not have him at any price. And finally, his party realizing with what an unfriendly sea it was surrounded, threw Jonah overboard.

Nor was this all. Not even the honoured representative of the Crown rode the storm scathless. In spite of the alleged Tory tradition of and pretensions to super-loyalty toward the Crown, Lord Byng was "let down" rather badly by his Tory friends in Toronto. Not only was he rushed into an unconstitutional granting of a dissolution to Mr. Meighen, after refusing it to Mr. Mackenzie King, but a report of His Excellency's interview at the time with the latter, on the authority of his own Secretary, was circulated around Toronto. More reprehensible still, a "strictly private and confidential" letter, signed by His Excellency, written to a well-known Tory, made the rounds of "the Faithful." To add insult to the injury done the Governor-General by the Tory Party, he was dragged into the election itself. Not only was his having commanded the Canadian forces during the War used as an appeal to the electors to vote for Tory candidates; but, by an inversion of the whole status of the Governorship, it was held up as an excuse for the unconstitutionalism. This was both treacherous and stupid on the part of the Tories.

Almost before the echoes of the campaign died away, Lord Byng took his departure. The new Governor-General, Lord Willingdon, arrived. The Cabinet of the new Prime Minister, W. L. Mackenzie King, was presented to him on the 25th of September. Hon. C. A. Dunning, Hon. J. Campbell Elliot and Hon. G. H. Bovin had become members of Mackenzie

King's Cabinet in March. The sudden death of Mr. Bovin during the campaign came as a shock to the whole country. To the Cabinet as it was when Mr. King resigned in June, were now added Messrs. Lucien Cannon, W. D. Euler, P. J. Venoit, James Malcolm, Fernand Rinfret, Robert Forke, Peter Heenan and Lt.-Col. Ralston.

One of the first acts of the new Governor-General was to sign the Order-in-Council for the dismissal of the Secretary to the Governor-General.

When Parliament met, the Treasury Benches presented an array of able administrators of the various departments, giving promise of progressive and wise legislation. There was a new departure on the Opposition side of the House. Nothing less than a former Liberal of nearly thirty years standing, in Mr. Meighen's seat as temporary Leader of the Conservatives. Was this a case of "How are the mighty fallen," or, "To what base uses?" Hon. Hugh Guthrie, now the extremely assiduous shepherd of the shown Tory flock, had been one of the converts to the Union government in that significant year, 1917. It had been a convenient bridge to the foreswearing of the Liberalism of his entire public life, and the adoption of full-blown Conservatism under the acid tutelage of Arthur Meighen. From the latter's footstool, and his chair, was the Hon. Hugh touching the hem of the sacred Tory mantle?

The Hon. Hugh would not be the first to receive such honour at the hands of the Tory Party. Sir J. J. C. Abbott had been a Reformer in the early days of the Union Parliament before Confederation. Sir J. S. D. Thompson, too, had been a Liberal in his younger years before fortune beckoned elsewhere. Sir Robert Borden, also, had been well known as a Liberal

in his young manhood, before he became a partner in a Tory firm of solicitors in Halifax, and took the high road to fame and wealth, which may possibly yet have left the taste of ashes in his mouth before the end of it came in sight. These served their apprenticeship in their new rôle as Conservatives. The Hon. Hugh, perhaps, expected too much of his new confreres. Possibly his intellectual gifts and undoubted ability could not weigh in their eyes against the suspicion of lack of disinterestedness which inevitably attaches itself to one who changes his political convictions in such times as did the Hon. Hugh. Perhaps the Conservatives thought the leopard ought not even to be encouraged to change his spots.

The curtain lifts with the Liberal Party in power. It is in the process of merging with its extreme wing, which is inevitable, if a stand is to be made against the forces into whose hands the Conservative leaders have played consistently these fifty years past. Liberalism cannot afford to stand still. Its very life is in movement. It must advance or go under. The party to which the whole country looks for inspiration in the future is the Party of Movement.

Under its new and brilliant Leader, the Conservative party is also to be a Party of Movement. At the recent Convention at Winnipeg, at which Mr. R. B. Bennett was chosen as Leader, was it a sign of the time, or was it a change of heart, that certain old slogans, for many years the principal stock-in-trade of the party, were not so much as mentioned? Perhaps the bracing air of the West was conducive to a wider vision. Perhaps the new policy of this party will be born in the West, out of the needs and possibilities of the West. If that is so, it is an encouraging sign. And one of significant omen to the Liberals.

LV

PRO PATRIA

One who enters public life, especially under democratic conditions, must fortify himself against criticism of however unfair a character. I know no one outside of Parliament, and scarcely half-a-dozen in, who has been more subjected to criticism than I, in Parliament and out of it. I plead guilty to but one thing of all that of which I have been accused, of whole-hearted Party loyalty; and to taking my small share in the long battle fought by my party. Liberalism in the past has identified itself with a public spirited and courageous battle against that system of vested interests we now call Capitalism.

In my own lifetime I have seen this system born in Canada. It was born with the establishment of the syndicate which intrigued and bribed its way through the Parliament of the late seventies and the eighties, to obtain the charter for the Canadian Pacific Railway, I believe that to have been the beginning of Capitalism in this country. It grew, when Sir John A. Macdonald inaugurated the policy of Protection for his election campaign in 1878. Up to that time the industrial system of Canada had been on an entirely different basis. Those now living, who can clearly recall that time, will bear me out in this. Sir John himself never realized whither the policy of which he made himself the champion was tending. He seized upon it as a means of attaining power, never looking to the end.

He was shrewd and able. He never had vision. He was the puppet of forces he wot not of.

Blake and Cartwright saw much more clearly than their successful rival. They realized the complexities and the dangers of the new economic and industrial system as Sir John never did. It was this fact which made the long fight against the syndicates so bitter. It cannot be denied that both parties to the argument lost their tempers and their heads more than was wise. Too often were personal differences and prejudices allowed to obscure the supremely important fact that the country was at the parting of the ways. There were deep scars left on the memory of all who took part in this long contest. The Liberals fought every step of the way. One by one the Leaders dropped out, beaten. But the party fought on.

They fought a losing battle. They were defeated. The syndicates and corporations and "interests" won. These are established in this country now, for good or ill. Perhaps Blake and Cartwright, and all the economists of their day who believed as they did, were wrong. Perhaps British economists of the present day are wrong. At this particular stage of economic development in the world, it is not possible to say positively what final form highly organized Capital will take. And God knows if it could have been otherwise. The same system of capitalistic interests has been established in the Republic to the south, during the same period. It has been established by much the same means as were employed in Canada. It would rouse less profound distrust had the method of establishing itself been less reprehensible. I shall not live to see this system work out to its end. I do not think that any now living will. I am against it because I have seen its beginnings.

As one grows older, one looks at everything from an impersonal angle. What emerges out of the human tangle are principles. As one of the "Old Guard," a survivor of the Liberalism of the past, I can see that the fight then was simpler and less complex than it is now. At present, we have to deal with that which has come to harvest, with the *fait accompli* where Capitalism is concerned. Liberalism of to-day must reckon with a financial and economic system come to full growth. Liberalism must deal with Capitalism in no spirit of enmity, but in a spirit of fair play for all. Liberalism must bring its ideals to the comprehension of this centralized wealth and power, with its immensely complex system of artificial values and credits, its organized industrial system, its protected productive system; its syndicate-controlled distributing system; with its deadly hand upon a once free Press.

Yet Canada has a gleam of light upon her difficulties. That gleam, she owes to what has been thought her greatest disadvantage. Look at the map of Canada. She is a long country without, at present, a commensurate depth. She is primarily a road from east to west—a great road thirty-five hundred miles long. A vital part of that road was once in the possession of a mere company of fur-traders. Then it was in the sole possession of the syndicate called the Canadian Pacific Railway Company. Then the Canadian and the Grand Trunk Railways joined forces with the C.P.R. monopoly. Then the Canadian government, from the very exigencies of the situation were compelled to break the monopoly, or to take the first step toward breaking the monopoly. They bought up a controlling interest in the road from east to west. They made it a National Highway.

Yet the road is not yet the property of the people of Canada, in the sense of being for their sole use and benefit. Its management is still part of a scheme, co-ordinated by the Capitalistic interests of privately owned railways. It is for the people of Canada to take this matter in hand. It is for them to make the road truly their own property; to be managed for the good of their own trade, and for their sole use and benefit. IT IS THEIR ROAD.

Further, that road does not end where the seaports are. Not at all. One end of that road is in Europe, the other end is in Asia. The ends of the road are in the markets, the markets Canada must have for her produce. The sea-ends of that road are a vital part of it. That part cannot be left entirely in the power of private corporations. The people of this country must have power to keep ocean rates from hurting that road which is Canada. The ocean is part of the road. Also, the water-lanes, the fairway of the Great Lakes, cannot be left at the mercy of private corporations. That, too, is part of the road, part of the National Highway.

With the people of this country owning their road from end to end, they must take up in the largest possible spirit the question of a larger population. We want immigration. We want it on a large scale. The opportunity which we lost twenty years ago must be recaptured if it is humanly possible. Opportunity is a difficult bird to capture at the best. But with the right spirit it may be done. There should be no niggling spirit as to wanting this or that nationality. There should be no question of race or creed. Races and even language are fluid in these times. The best race for Canada is the race which best fits her conditions. What we want is people who will go on the

land, who will stay on the land, who will create wealth for themselves and the country. OUR SHARE WILL BE TO MAKE THEM GOOD CANADIANS. To expect ready made Canadians is folly. The only Canadians are those that have been made right here. What our forebears have done for us, we can afford to do on a larger scale now. It is what we owe to those who help us to develop our wonderland. We must work together.

* * * *

And now, the last word said, the last thought written, a hand weary with writing lifts from the page. In these close sheets, I have re-lived days long past; have felt again the intimacy of lost friendships; have rejoiced once more in bygone triumphs, and grieved over past failures. But the companion of long months is ended, and this book of memories slips out upon the high waterway. Not, perhaps, to a calm and easy voyage. It will be caught in the eddies of hostile criticism, thrown against the rocks of condemnation. But it may be that here and there a friendly hand will be stretched to smooth its passage into gentler waters. More I cannot ask. And if, in the reading of it, others find that I have touched some chord of sympathy and understanding, let me rest content.

INDEX

Chapters in which the names appear.

A

Abbott, Sir J. J. C., 17, 19, 28, 54
Aberdeen, Lord, 28, 29
Adams, Attorney Brooke, 20
Adamson, Justice, 46, 48
Allan, Sir Hugh, 5, 10, 12, 15, 23, 27
Alexander, J. W., 51
Alverstone, Lord, 1, 40
Ames, Sir Herbert, 47
Ampthill, Lord, 33
Angus, R. B., 17
Anglin, Hon. Timothy W., 16, 28
Antigonish, Archbishop of, 28
Ashdown, John, 19
Askwith, Lord, 48
Asquith, Right Hon. H. H., 41, 42, 53
Athalstone, Lord, 43
Aylesworth, Sir Allen, 16, 39, 40, 48

B

Bailey, Sir Abe, 35
Baldwin, Hon. Robert, 2
Ballantyne, Hon. Mr., 46, 47
Bank of Montreal, 16
Beaty, M.P., Jas., 23
Beaconsfield, Lord, 6, 17, 26, 53
Beaverbrook, Lord, 46
Beck, Sir Adam, 32
Belleau, Sir Narcisse, 3, 25
Bell, Moberly, 30
Benson, Judge, 6
Bergin, M.P., Dr., 23
Beland, Hon. Dr., 50
Bennett, Hon. R. B., 42, 54
Betourney, Judge, 17
Blain, Hon. J. G., 26
Blair, Hon. Ferguson, 3
Blair, Hon. A. G., 29
Blake, Hon. Edward, 5, 6, 12, 14, 16, 22, 25, 28, 30, 55
Bowell, Sir Mackenzie, 15, 20, 26, 28
Bostock, Hon. Mr., 50
Botha, General Louis, 41, 43
Blount, A. E., 48
Borden, Sir Robert, 33, 35, 41, 42, 44, 48, 49, 53
Borden, Sir Fred., 29, 33, 35, 46
Bourassa, Henry, 41
Bouvin, Hon. G. H., 54
Brassey, Lord, 31
Brown, Hon. George, 2, 6
Brown, Mrs. Geo., 19
Brooke, Lord, 46
Bryce, Lord, 30
Buller, Sir Redvers, 9
Bunting, C. W., 21, 22
Bureau, Hon. Jacques, 50
Burke, Father, 41
Burke, Major, 46
Burns, Right Hon. John, 42, 52, 55
Burrill, Hon. Mr., 47
Butler, Sir William, 9
Byng, Lord, 14, 52, 53, 54

C

Cameron, Hon. M. C., 6
Campbell, G. H., 12
Campbell-Bannerman, Sir Henry, 35
Cannon, K.C., Hon. Lucien, 54
Cardin, K.C., Hon. P. J. A., 52
Caron, Sir A., 26
Carson, Lord, 32, 42
Cartier, Sir Geo. E., 2, 6, 8, 10, 25
Cartwright, Sir Richard, 6, 12, 13, 14, 16, 18, 19, 25, 26, 29, 55
Carvell, Hon. W., 44
Chamberlain, Right Hon. Joseph, 33
Chamberlain, Right Hon. Neville, 45
Chapleau, Hon. Mr. 23, 26, 29
Charles II, 7
Charlton, M.P., John, 29
Chisholm, Judge Duncan, 16
Churchill, Right Hon. Winston, 42
Church, M.P., Thos. L., 49
Clive, Lord, 8
Cockburn, Hon. James, 3
Cohen, A., 30
Coleman, Fred., 34
Copp, Senator A. P., 47
Cox, Senator Geo. A., 16, 18
Crerar, M.P., Hon. Thos., 51
Crossley, Rev., 26
Currie, Genl. Sir Arthur, 49

D

Dandurand, Hon. R., 50
Dansereau, Mr., 29
Davies, Sir Louis, 29
Dennistoun, Judge, 46
D'Israeli, Right Hon. B., 6, 26

Dobell, Hon. Mr., 29
Doherty, Judge, 47
Dorion, Hon. E., 5, 12, 13
Drayton, Sir Henry, 52, 53
Drury, Hon. E. C., 32, 35, 52
Dunning, Hon. C. A., 54
Dufferin, Lord, 10, 11, 14
Dufferin, Lady, 11, 12
Durham, Lord, 1

E

Edgar, K.C., Sir James, 14
Edward VII, 30, 53
Edwards, Dr. J. W., 52, 54
Elgin, Lord, 1, 3, 16
Elliott, Hon. J. Campbell, 54
Euler, Hon. W. D., 54

F

Farley, Jesse P., 15, 21
Farrar, Edward, 23, 26
Fellowes, M.P., J. B. L., 3
Fish, Secretary of State, 5
Fielding, Hon. W. S., 29, 33, 35, 41, 47, 48, 50
Fisher, Hon. Sidney, 29, 33, 48
Fitzpatrick, Sir Charles, 29, 33, 39
Fraser, Hon. C. F., 16, 23
Foster, Sir George, 33, 42, 47
Forke, Hon. Robert, 51, 54
Foster, Hon. W. E., 50
Freemantle, Admiral, 41

G

Gaby, Mdlle. Delys, 45
Galt, Sir Thomas, 30
Gibson, Lt.-Col. Sir John, 19
Gladstone, Right Hon. W. E., 53
Gordon, K.C., Hon. G. N., 52
Gouin, Sir Lomer, 45, 47, 49
Graham, Hon. G. P., 33, 48, 50
Gregory, K.C., W. D., 32
Greenway, Hon. Thos., 33
Grey, Lord, 44
Geddes, Auckland, 45
George, Right Hon. Lloyd, 42, 45
German Consul General, 43
Griffin, M. J., 18
Guthrie, Hon. Hugh, 52

H

Hall, M.P., Mr., 23
Haney, M. J., 41
Hardy, Hon. A. S., 16, 18, 23, 29
Harcourt, Lord, 42
Hatzfelt, Count, 33
Hayden, Capt. J. A. P., 46
Hawkin, R. C., 31, 49
Hastings, Right Hon. Warren, 8
Hazaski, Viscount, 38
Head, Sir Edmund, 2
Heenan, Hon. Peter, 54
Hill, J. J., 15, 17, 20
Hincks, Sir Francis, 5, 6, 29
Hocken, M.P., Horatio, 54
Holland, Geo., 14
Holland, Queen of, 39
Holton, M.P., Hon. L. H., 5, 12
Howan, Cardinal, 2
Howe, Hon. Jos., 5
Howland, Hon. W., 3
Hudson Bay Co., 7, 8
Hughes, Genl. Garnett, 46
Hughes, Sir Sam, 42, 44, 48
Hutchins, E. H., 48
Huntingdon, M.P., Hon. L. S., 11, 12, 13
Hunter, Rev., 26

I

Ito, Prince, 37
Ives, M.P., Mr., 23

J

Jaffray, Senator Robt., 18
Jameson, Sir J., 35
Jesuit Estates, 26
Jette, Sir Louis, 2, 40
Joly de Lotbiniere, Sir Henry, 29
Jones, M.P., A., 13

K

Kennedy, J. R., 17
Kennedy, Hon. W. E., 50
Khon, Reinbach & Co., 17
Kittson, Norman, 15, 20
Kimberley, Lord, 10
King, Hon. Dr., 49
King, Right Hon. W. L. Mackenzie, 48, 49, 50, 51, 52, 53, 54
Komura, Viscount, 37
Kruger, Paul, 35

L

Lacombe, Father, 28
Lafluer, K.C., Eugene, 51
Lafontaine, Hon. Mr., 1, 2, 25
Lane, Crawford & Co., 37
Lansdowne, Marquis of, 2, 4, 32
Lapointe, Hon. E., 41, 52
Lash, K.C., Z., 41
Larke, J. S., 36
Lausada, Mr., 30
Langevin, Archbishop, 28

Langevin, Sir Hector, 3, 26, 27, 29
Laurier, Sir Wilfrid, 6, 16, 18, 25, 26, 28, 29, 33, 34, 35, 39, 41, 42, 44, 46, 47, 49, 50, 51
Lefevre, Dr., 16
Lefleche, Bishop, 28
Lemieux, Hon. Rudolphe, 38, 52
Levergne, Mr., 41
Lohman, Judge, 39
Loucks, Mr., 2
Low, Hon. T. A., 50, 51
Lincoln, Abraham, 3
Lippman, Rosenthal & Co., 15
Low, Hon. Thos. A., 52
Lytton, Earl of, 30

M

Macaulay, Lord, 42
Macdonald, Sir John A., 2, 3, 5, 6, 8, 9, 10, 11, 12, 15, 21, 22, 23, 24, 25, 27, 28, 30, 53, 55
Macdonald, Hon. J. Sanfield, 2, 3, 5, 6, 8, 9
Macdonald, Hon. E. M., 51
Macdougall, Hon, W., 2, 4, 6
Mackenzie, Sir William, 34, 42
Macdonell, Sir Claude, 37, 38
Malcolm, Hon. Jas., 54
Mann, Sir Donald, 34
Martin, Joseph, 29
Manning, Cardinal, 26
Marler, Hon. H. H., 52
Massey-Harris Co., 51
Massey, Hon. Vincent, 52
Meighen, Right Hon. Arthur, 46, 47, 48, 49, 50, 51, 52, 53, 54
Meighen, Genl., 46
Mercier, K.C., Hon. Honore, 26, 29
Meredith, Sir William, 21, 22
Merrick, M.P.P., Henry, 21
Mewburn, M.P., Genl., 47
Middleton, Genl., 27
Mills, Hon. David, 29
Monck, Hon. F. D., 41
Monck, Lord, 5
Morton, Rose & Co., 17
Motherwell, Hon. W. R., 50
Montplaisir, M.P., Mr., 23
Montifiore, Sir Samuel, 30
Morley, Lord, 42
Mowat, Sir Oliver, 6, 16, 18, 21, 22, 26, 28, 29
Mulock, Sir Wm., 29
Murdock, Hon. James, 50
Murray, Hon. Geo. H., 46, 47, 50
Murphy, Hon. Chas., 46, 47, 48, 50
McCoig, M.P., Arch., 50
McDonald, D. F., 16
McGivern, Hon. H. B., 52
McGressey, M.P., Hon. Thos., 27
McGee, Hon. D'Arcy, 3, 5
McInnes, K.C., Hon. Hector, 46
McIntosh, M.P., Hon. C. H., 22
McIntyre, Duncan, 18
McKellar, Hon. Arch., 7
McKenzie, Hon. Alex., 3, 5, 6, 11, 13, 14, 15, 17, 41
McKenzie, K.C., Kenneth, 46
McKenzie, William Lyon, 48
McKenzie, Hon. D. D., 46, 50
McLean, W. F., 54
McLean, Hon. A. K., 47
McMaster, K.C., M.P., Andrew, 51
McMurray, Hon. E. J., 52
McNab, Sir Allan, 2
McPhail, M.P., Miss Agnes, 51
McPherson, Sir David, 21
McRea, Lt.-Col., 48

N

Neill, Lt.-Col., 48
Nicola, Bishop, 38
Norfolk, Duke of, 16
Northcote, Sir Stafford, 5, 17
North Atlantic Trading Co., 33

O

Okama, Viscount, 35
Oliver, Hon. Frank, 29
Onslow, Lord, 30
Otani, Mr., 37

P

Papineau, Louis, 1
Pardee, Hon. T. B., 7, 16, 23
Parsons, Lt.-Col., 46
Patterson, T. C., 11
Patterson, Hon. Wm., 39
Perley, Sir George, 46
Patenaude, Hon. E. T., 52
Petersen, Sir William, 50
Pope, Hon. J. H., 23
Pringle, Roderick, 16
Proudfoot, Senator, 49

R

Ralston, Lt.-Col., 54
Reid, Lt.-Col., F. A., 46, 47, 49
Rennie, J., 15
Rhodes, Hon. Cecil, 8
Rhodes, Hon. Speaker, 46, 47
Riel, Louis, 5, 9, 15
Riddell, Justice, 39
Rinfret, Hon. Fernand, 54
Robinson, Lt.-Col. Hon. J. B., 22
Robertson, John Ross, 37
Robb, Hon. J. A., 47, 50

Rochester, John, 15
Rogers, Hon. Robert, 49
Rose, Sir John, 2, 6
Ross, Sir Charles, 17, 42
Ross, Sir George W., 16, 23
Ross, Judge Duncan, 46, 48
Ross, James, 34
Roosevelt, President, 40
Rothschild, Lord, 30
Rupert, Prince, 7
Ryan, Peter, 42
Rykert, M.P., J. C., 24

S

Salisbury, Marquis of, 26, 33
Scott, Hon. R. W., 6
Scott, Thomas, 9
Sharpe, Senator, 48
Shaughnessy, Lord, 25
Shelbourne, Lord, 1
Shiels & Macdonald, 28
Shultz, Lt.-Gov. John, 33
Sifton, Sir Clifford, 16, 29, 30, 33, 41, 47.
Simon, Sir John, 49
Sinclair, Hon. J. E., 50
Skinner, Sir Thomas, 30
Sproule, Hon. Dr., 15
Smart, James A., 30, 33
Smith, Goldwin, 26
Smith, H. H., 16
Smithers, Sir Alfred, 49
Smith, Donald, Smith, Sir D. A., Strathcona, Lord — 6, 9, 10, 13, 15, 19, 20, 25, 28, 30, 33, 34, 35, 39, 41, 44
Smith, Sir Frank, 16, 19
Stephen, George, 15, 19, 20, 25
Mountstephen, Lord, 28, 34, 41
Stewart, Hon. Chas., 50
Stevens, Hon. H. H., 51
Sutherland, M.P., James, 29, 41
Sydenham, Lord, 1

T

Tache, Sir E. P., 2, 9
Taft, President, 41
Tallyrand, 42
Tanner, Senator, 48
Tarte, Hon. J. Israel, 26, 27, 29, 30
Taschereau, Archbishop, 26
Tate, Joseph, 19
Thompson, Sir J. S. D., 24, 26, 28
Thompson, Lt.-Col. A. T., 46
Tokio, Archbishop of, 38
Turner, V.C., Sir John, 46
Tupper, Sir Charles, 5, 15, 25, 26, 28
Tupper, Sir Hibbert, 28
Tupper, W. J., 47

V

Van Horne, Sir William, 25, 41
Venoit, Hon. P. J., 54
Vien, Lt.-Col. Thomas, 50

W

Walker, Sir Edmund, 41
Wainwright, W., 41
Washington, Genl. George, 5
White, Hon. P., 23
White, Hon. Thomas, 24, 41, 46
Whitney, Sir James, 23
Wilkinson, J. W., 16, 21
Willingdon, Lord, 54
Wiman, Erastus, 26
Wood, M.P., Mr., 23
Wood, Hon. E. B., 6
Wolseley, Lord, 9
Wolvin, Roy, 50

X

Xavier, Francis, 38